

**Confidential - Attorneys' Eyes Only**

<p style="text-align: right;">Page 10</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 for Rimafar?</p> <p>3 A. It was judicial, a group.</p> <p>4 MS. ABREU: Objection. Translation.</p> <p>5 A. A person from the judicial group.</p> <p>6 Q. Why don't you -- it sounds like there may be</p> <p>7 a difficulty in the translation there. I</p> <p>8 agree. Why don't you simply take the Spanish</p> <p>9 word.</p> <p>10 MS. ABREU: Can you translate it and</p> <p>11 ask him to write it down.</p> <p>12 A. It's like one person representing the --</p> <p>13 G-A-B-I-N-E-T-E-J-U-R-I-D-I-C-O. And it's a</p> <p>14 proper name.</p> <p>15 Q. When Rimafar was founded, what was its</p> <p>16 corporate purpose?</p> <p>17 MS. ABREU: Objection. Vague.</p> <p>18 A. The production, sale and development of</p> <p>19 products of pharmaceutical products.</p> <p>20 Q. Did you have experience in the manufacture,</p> <p>21 production and sale of pharmaceutical</p> <p>22 products before 1988?</p> <p>23 A. Yes.</p> <p>24 Q. What experience had you had?</p>	<p style="text-align: right;">Page 12</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. Approximately 50 to 60.</p> <p>3 Q. Did there come a time when Rimafar developed</p> <p>4 a relationship with Ethypharm?</p> <p>5 A. At the beginning, no. Towards the end of</p> <p>6 1991, approximately we had a relationship</p> <p>7 with Ethypharm.</p> <p>8 Q. And how did that relationship develop?</p> <p>9 A. At the very beginning it was just other</p> <p>10 contacts, you know, conversations and that</p> <p>11 was it.</p> <p>12 Q. Do you recall who it was that you dealt with</p> <p>13 at Ethypharm --</p> <p>14 MS. ABREU: Objection. Vague.</p> <p>15 Dealt with.</p> <p>16 Q. -- at the beginning of the relationship?</p> <p>17 A. Yes.</p> <p>18 Q. Who was that?</p> <p>19 A. Adolfo De Basilio.</p> <p>20 Q. And what was the business relationship</p> <p>21 designed to do between Ethypharm and Rimafar?</p> <p>22 MS. ABREU: Objection. Vague and</p> <p>23 ambiguous. Relationship.</p> <p>24 A. There was no design. It's just spontaneous.</p>
<p style="text-align: right;">Page 11</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. Twenty years, twenty years working in a</p> <p>3 pharmaceutical laboratory, along all the</p> <p>4 process and finally as general director.</p> <p>5 Q. Had you ever had personal experience with</p> <p>6 Omeprazole prior to 1988?</p> <p>7 A. No.</p> <p>8 Q. How about had you had any experience with</p> <p>9 microgranules or pelletization of Omeprazole</p> <p>10 prior to 1988?</p> <p>11 MS. ABREU: Objection. Vague and</p> <p>12 ambiguous. Experience with what?</p> <p>13 A. No.</p> <p>14 Q. In September 1988 when Rimafar began, how</p> <p>15 many employees did you have?</p> <p>16 A. Three, my secretary, myself, and one person</p> <p>17 of commercialization at the very, very, very</p> <p>18 beginning.</p> <p>19 Q. Did you have any researchers?</p> <p>20 A. No.</p> <p>21 Q. Did you add employees to Rimafar after 1988?</p> <p>22 A. Yes, after 1988, yes.</p> <p>23 Q. Between 1988 and 1992 how many employees were</p> <p>24 added to Rimafar?</p>	<p style="text-align: right;">Page 13</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. Was there a specific product that was of</p> <p>3 interest?</p> <p>4 A. No. There was a concept of production from</p> <p>5 Ethypharm.</p> <p>6 Q. And was this a proposal that Ethypharm made</p> <p>7 to you at Rimafar, or did you make the</p> <p>8 proposal to Ethypharm?</p> <p>9 A. Ethypharm to Rimafar.</p> <p>10 Q. And what was the nature of the proposal from</p> <p>11 Ethypharm to Rimafar?</p> <p>12 A. It was a proposal of collaboration.</p> <p>13 Q. For what purpose?</p> <p>14 A. With the purpose of Ethypharm manufacture</p> <p>15 some products with following a procedure and</p> <p>16 Rimafar sell or utilize for itself. That was</p> <p>17 it.</p> <p>18 MS. ABREU: Objection. Translation.</p> <p>19 Q. Who was going to perform the manufacturing,</p> <p>20 Rimafar or Ethypharm?</p> <p>21 MS. ABREU: Objection. Assumes</p> <p>22 facts not in evidence.</p> <p>23 A. Ethypharm.</p> <p>24 MR. BOSTWICK: Veronica, if you're</p>

4 (Pages 10 to 13)

Page 14

1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY  
2 going to make objections, that's fine. I  
3 want to hear them. I can't know whether I  
4 care about them.  
5 MS. ABREU: I apologize. I didn't  
6 want to -- the first was an objection to the  
7 translation to the answer. The second was  
8 objection, facts not in evidence.  
9 MR. BOSTWICK: Because, of course, I  
10 haven't heard one objection yet, so any of my  
11 former questions I wouldn't have had a chance  
12 to restate them in a way that's appropriate  
13 if I think that's necessary.  
14 MS. ABREU: I will speak louder.  
15 MR. BOSTWICK: You can say that's  
16 just an administrative matter between  
17 lawyers.  
18 Can you read back the last question.  
19 (Question read)  
20 Q. Do you recall the products that Rimafar was  
21 going to manufacture for Ethypharm?  
22 A. There was no product that Rimafar was going  
23 to manufacture for Ethypharm, no.  
24 Q. I'm sorry. I may have misunderstood. I

Page 15

1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY  
2 thought you had stated that Rimafar was going  
3 to manufacture certain products for  
4 Ethypharm. Is that right or wrong?  
5 A. That's not correct. Ethypharm was going to  
6 manufacture products for their client and  
7 possible for Rimafar. Ethypharm was the  
8 manufacturer.  
9 Q. Was Ethypharm going to manufacture those  
10 products in Rimafar's facilities?  
11 MS. ABREU: Objection. Ambiguous.  
12 Facilities.  
13 A. I use facilities, plant, Rimafar. That was a  
14 possibility.  
15 Q. How long did you have discussions with Adolfo  
16 De Basilio about the relationship with  
17 Ethypharm?  
18 A. Quite a few days in conversations. I don't  
19 know exactly the time, you know. It could be  
20 days, a month even.  
21 Q. Was this around the time that Belmac  
22 Corporation in the United States purchased  
23 Rimafar?  
24 A. The initial conversations have been prior to.

Page 16

1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY  
2 Q. The initial conversations with Ethypharm?  
3 A. With Ethypharm. Rimafar and Ethypharm prior  
4 to.  
5 Q. How did it come about that Belmac Corporation  
6 in the U.S. purchased Rimafar?  
7 A. I'm sorry. I didn't understand the question.  
8 Q. I believe you have testified that in March of  
9 1992 Belmac Corporation in the United States  
10 purchased Rimafar?  
11 MS. ABREU: Objection. Misstates  
12 testimony.  
13 Q. Is that correct?  
14 A. Yes, that's correct.  
15 Q. How did that come about? How did those  
16 discussions come about?  
17 MS. ABREU: Objection. Vague and  
18 ambiguous.  
19 A. What topics in specific are we talking about?  
20 Q. Who from Belmac approached Rimafar to  
21 purchase the company?  
22 A. Directly to me a person from Belmac France  
23 with an initial interest of purchasing  
24 Rimafar.

Page 17

1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY  
2 Q. Do you know when that first conversation took  
3 place?  
4 A. Towards the end of the year 1991. I won't be  
5 able to tell you exactly dates.  
6 Q. I understand. It's a long time ago; and if  
7 you just give me your best recollection, that  
8 will be perfect. Who was it that had this  
9 first conversation with you? Who was the  
10 French person?  
11 MS. ABREU: Objection. Vague and  
12 ambiguous.  
13 A. I think it was Mr. Hermet. I had to put two  
14 people in contact. One was Mr. Hermet --  
15 (Exhibit No. 1, Minutes, so marked)  
16 Q. Ask him how to spell Hermet. Actually, you  
17 know what, this is Exhibit 1, and it is a  
18 document written in English as you can see,  
19 and it is minutes of the meeting of the board  
20 of directors of Belmac Corporation, and the  
21 date is October 24, 1991.  
22 And do you see the names listed on  
23 the first page of this document?  
24 A. Yes.

5 (Pages 14 to 17)

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<p style="text-align: right;">Page 18</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. And right below those names it says, Also</p> <p>3 present at the invitation of the company was</p> <p>4 Jean-Pierre Hermet, the general manager of</p> <p>5 the company's European operations. Is this</p> <p>6 the person that you met with, Jean-Pierre</p> <p>7 Hermet?</p> <p>8 A. Yes.</p> <p>9 Q. Around the end of 1991?</p> <p>10 A. Yes.</p> <p>11 Q. To discuss the purchase by Belmac Corporation</p> <p>12 of Rimafar?</p> <p>13 MS. ABREU: Objection. Ambiguous.</p> <p>14 Belmac Corporation.</p> <p>15 MR. BOSTWICK: Just for the record,</p> <p>16 isn't Belmac Corporation the name of the</p> <p>17 company?</p> <p>18 MS. ABREU: Counsel, there are two</p> <p>19 Belmacs. There is Belmac Corporation, and</p> <p>20 there is Belmac Europe. I believe for the</p> <p>21 witness's benefit we need to distinguish the</p> <p>22 two. Jean-Pierre Hermet appears to be the</p> <p>23 general manager of the European Belmac.</p> <p>24 Q. Do you see any of the other names on that</p>	<p style="text-align: right;">Page 20</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Mr. Ayers, Jean-Pierre Hermet, and he would</p> <p>3 be meeting officials of Rimafar during the</p> <p>4 middle of November to further discuss the</p> <p>5 possibility of acquiring that company.</p> <p>6 And my question to you is is that</p> <p>7 consistent with your memory that the</p> <p>8 negotiations for acquisition took place</p> <p>9 around the end of 1991?</p> <p>10 A. Yes.</p> <p>11 Q. Do you recall whether you were negotiating</p> <p>12 with Ethypharm about the Ethypharm</p> <p>13 arrangement around the same time that you</p> <p>14 were negotiating about the possible</p> <p>15 acquisition of Rimafar?</p> <p>16 A. Exactly I don't think the dates coincide, but</p> <p>17 I'm not sure. I think the dates were in</p> <p>18 proximity to each other.</p> <p>19 Q. Mr. Ayala, let me ask you a few questions</p> <p>20 about your language skills. Do you speak any</p> <p>21 English?</p> <p>22 A. No.</p> <p>23 Q. Do you read in English?</p> <p>24 A. A little.</p>
<p style="text-align: right;">Page 19</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 list that you recognize?</p> <p>3 A. Yes.</p> <p>4 Q. Which one or which ones?</p> <p>5 A. Jean-Francois Rossignol.</p> <p>6 Q. How is it that you recognize that name?</p> <p>7 A. When Belmac purchased Rimafar, Jean-Francois</p> <p>8 Rossignol was the director of Belmac.</p> <p>9 Q. Belmac Corporation in the U.S.?</p> <p>10 A. Yes, in the United States.</p> <p>11 Q. I will turn to page 9 of the document, and</p> <p>12 I'm going to read you the second paragraph, I</p> <p>13 guess, and our translator will help me</p> <p>14 translate this for you. It's right beginning</p> <p>15 here. It says, The chairman -- and I believe</p> <p>16 that would be Jean Francois Rossignol --</p> <p>17 MS. ABREU: Objection. States facts</p> <p>18 not in evidence.</p> <p>19 Q. -- then stated that the company was engaged</p> <p>20 in early stage negotiations for the</p> <p>21 acquisition of a Spanish based company,</p> <p>22 Rimafar, SA, a company with manufacturing</p> <p>23 capability.</p> <p>24 The chairman indicated that</p>	<p style="text-align: right;">Page 21</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. In the context of business, do you ever</p> <p>3 conduct business negotiations in English?</p> <p>4 MS. ABREU: Objection. Ambiguous.</p> <p>5 A. Yes, with translators, with the assistance of</p> <p>6 a translator.</p> <p>7 Q. If you receive documents, for example, in</p> <p>8 English, you would want them translated</p> <p>9 before acting on them in the business</p> <p>10 context?</p> <p>11 A. I don't understand the question.</p> <p>12 Q. Would you ever receive a document in English</p> <p>13 in a business context and not translate it?</p> <p>14 MS. ABREU: Objection. Ambiguous.</p> <p>15 A. Never.</p> <p>16 Q. Do you speak French?</p> <p>17 A. A little.</p> <p>18 Q. More than English?</p> <p>19 A. Yes.</p> <p>20 Q. For example, when you negotiated the</p> <p>21 arrangement with Ethypharm with Adolfo De</p> <p>22 Basilio, I take it that would be in Spanish?</p> <p>23 A. Yes, in Spanish.</p> <p>24 Q. When you discussed matters with Rimafar, what</p>

6 (Pages 18 to 21)

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<p style="text-align: right;">Page 22</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 language was used -- I'm sorry, with Belmac</p> <p>3 Corporation?</p> <p>4 A. With Jean-Pierre Hermet initially we spoke</p> <p>5 French. He knew some Spanish also and then</p> <p>6 afterwards Spanish all the time, always</p> <p>7 Spanish.</p> <p>8 Q. Did any of these individuals, Mr. Ayers,</p> <p>9 Jean-Pierre Hermet or Mr. Rossignol, did they</p> <p>10 speak Spanish?</p> <p>11 MS. ABREU: Objection. Foundation.</p> <p>12 A. I don't know. I don't know.</p> <p>13 Q. Do you remember whether you conducted the</p> <p>14 negotiations about Belmac Corporations</p> <p>15 acquisition in Spanish?</p> <p>16 A. In Spain, there was always translators</p> <p>17 available; and the operation was made in</p> <p>18 Spain, took place in Spain.</p> <p>19 Q. I know this has been a relatively short time,</p> <p>20 but it's been about an hour, and I think</p> <p>21 maybe we can break until tomorrow.</p> <p>22 A. As you wish.</p> <p>23 Q. Shall we start at 9:00 in morning?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 24</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 C E R T I F I C A T E</p> <p>3</p> <p>4 COMMONWEALTH OF MASSACHUSETTS</p> <p>5</p> <p>6</p> <p>7 I, Tina M. Sarcia, a Registered</p> <p>8 Professional Reporter and Notary Public in</p> <p>9 and for the Commonwealth of Massachusetts, do</p> <p>10 hereby certify that the foregoing transcript</p> <p>11 of the deposition of ANGEL PEREZ DE AYALA</p> <p>12 having been duly sworn on Wednesday, June 28</p> <p>13 2006 is true and accurate to the best of my</p> <p>14 knowledge skill and ability.</p> <p>15 IN WITNESS WHEREOF I have hereunto</p> <p>16 set my hand and seal this 11thday of June</p> <p>17 , 2006.</p> <p>18</p> <p>19</p> <p>20</p> <p>21 Tina M. Sarcia, RPR</p> <p>22 Notary Public</p> <p>23</p> <p>24 My commission expires: March 13, 2009</p>
<p style="text-align: right;">Page 23</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 MR. BOSTWICK: Maybe 8:45 we meet</p> <p>3 here or 8:50.</p> <p>4 THE VIDEOGRAPHER: The time is 4:59</p> <p>5 p.m. on June 28, 2006. This is the end of</p> <p>6 tape number one of Mr. Angel Perez De Ayala.</p> <p>7 This deposition will be adjourned until June</p> <p>8 29, 2006.</p> <p>9 (Whereupon the deposition was</p> <p>10 suspended at 4:59 p.m.)</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 25</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 DEPONENT'S ERRATA SHEET</p> <p>3 AND SIGNATURE INSTRUCTIONS</p> <p>4</p> <p>5 The original of the Errata Sheet has</p> <p>6 been delivered to Veronica Abreu, Esq.</p> <p>7 When the Errata Sheet has been</p> <p>8 completed by the deponent and signed, a copy</p> <p>9 thereof should be delivered to each party of</p> <p>10 record and the ORIGINAL delivered to Dwight</p> <p>11 Bostwick, Esq. to whom the original</p> <p>12 deposition transcript was delivered.</p> <p>13</p> <p>14 INSTRUCTIONS TO DEPONENT</p> <p>15</p> <p>16 After reading this volume of your</p> <p>17 deposition, indicate any corrections or</p> <p>18 changes to your testimony and the reasons</p> <p>19 therefor on the Errata Sheet supplied to you</p> <p>20 and sign it. DO NOT make marks or notations</p> <p>21 on the transcript volume itself.</p> <p>22</p> <p>23 REPLACE THIS PAGE OF THE TRANSCRIPT WITH THE</p> <p>24 COMPLETED AND SIGNED ERRATA SHEET WHEN</p> <p>RECEIVED.</p>

7 (Pages 22 to 25)

<p style="text-align: right;">Page 26</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY 2 ATTACH TO THE DEPOSITION OF ANGEL PEREZ DE AYALA 3 CASE: ETHYPHARM V BENTLEY PHARMACEUTICALS 4 ERRATA SHEET 5 INSTRUCTIONS: After reading the transcript of your deposition, note any change or 6 correction to your testimony and the reason therefor on this sheet. DO NOT make any 7 marks or notations on the transcript volume itself. Sign and date this errata sheet 8 (before a Notary Public, if required). Refer to Page 25 of the transcript for errata sheet 9 distribution instructions. 10 PAGE LINE 11 CHANGE: REASON: 12 CHANGE: REASON: 13 CHANGE: REASON: 14 CHANGE: REASON: 15 CHANGE: REASON: 16 CHANGE: REASON: 17 CHANGE: REASON: 18 CHANGE: REASON: 19 CHANGE: REASON: 20 CHANGE: REASON: 21 I have read the foregoing transcript of my deposition and except for any 22 corrections or changes noted above, I hereby subscribe to the transcript as an accurate 23 record of the statements made by me. 24 ANGEL PEREZ DE AYALA DATE</p>	

8 (Page 26)



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Page 27

<p><b>A</b></p> <p>ability 24:14</p> <p>able 17:5</p> <p>Abreu 2:13 4:24,24 8:22 10:4,10,17 11:11 12:14,22 13:18,21 14:5,14 15:11 16:11,17 17:11 18:13,18 19:17 21:4,14 22:11 25:6</p> <p>accurate 24:13 26:22</p> <p>acquiring 20:5</p> <p>acquisition 19:21 20:8,15 22:15</p> <p>acting 21:9</p> <p>action 5:16</p> <p>active 8:8</p> <p>actual 8:24</p> <p>add 11:21</p> <p>added 11:24</p> <p>addition 7:5</p> <p>adjourned 23:7</p> <p>administrative 8:8 14:16</p> <p>Adolfo 12:19 15:15 21:21</p> <p>afternoon 5:14</p> <p>ago 17:6</p> <p>agree 10:8</p> <p>agreement 7:15</p> <p>ALZAGA 3:5</p> <p>ambiguous 11:12 12:23 15:11 16:18 17:12 18:13 21:4 21:14</p> <p>Angel 1:15 4:4 5:7 7:17 23:6 24:11 26:2,24</p> <p>Angell 1:22 2:14 4:18</p> <p>answer 6:16,17,23 14:7</p> <p>answers 6:15</p> <p>anticipate 7:12</p> <p>apologize 14:5</p> <p><b>APPEARANCES</b> 2:2 3:2</p> <p>appears 18:22</p> <p>approached 16:20</p> <p>appropriate 14:12</p> <p>approximately 4:12 9:9 12:2,6</p> <p>arrangement 20:13 21:21</p>	<p><b>ASOCIADOS</b> 3:6</p> <p>assistance 21:5</p> <p>association 4:16</p> <p>assume 6:7,10</p> <p>Assumes 13:21</p> <p><b>ATTACH</b> 26:2</p> <p><b>ATTORNEYS</b> 1:1 2:1 3:1 4:1 5:1 6:1 7:1 8:1 9:1 10:1 11:1 12:1 13:1 14:1 15:1 16:1 17:1 18:1 19:1 20:1 21:1 22:1 23:1 24:1 25:1 26:1</p> <p>available 22:17</p> <p>Avenue 1:23 2:15</p> <p>Ayala 1:15 4:4 5:7 5:14 7:16,17,20 20:19 23:6 24:11 26:2,24</p> <p>Ayers 20:2 22:8</p> <p><b>A-Y-A-L-A</b> 7:19</p> <p><b>B</b></p> <p><b>BAACH</b> 2:5</p> <p>back 14:18</p> <p>based 19:21</p> <p>Basilio 12:19 15:16 21:22</p> <p>began 9:19 11:14</p> <p>beginning 9:20 11:18 12:5,9,16 19:14</p> <p>beginnings 9:5</p> <p>behalf 1:16 4:23 5:2 8:8</p> <p>believe 9:13,15 16:8 18:20 19:15</p> <p>Belmac 6:10 9:2,2,4 9:6,7,10,15 15:21 16:5,9,20,22 17:20 18:11,14,16 18:19,20,23 19:7 19:8,9 22:2,14</p> <p>Belmacs 18:19</p> <p>benefit 5:23 6:20 18:21</p> <p>Bentley 1:11 4:7 5:2 6:6 26:3</p> <p>best 17:7 24:13</p> <p>board 17:19</p> <p>Boston 1:23 2:16 4:19</p> <p>Bostwick 2:3 4:22 4:22 5:13,15</p>	<p>13:24 14:9,15 18:15 23:2 25:11</p> <p>break 7:6 22:21</p> <p>breaks 7:5</p> <p>brought 6:3</p> <p>business 12:20 21:2 21:3,9,13</p> <p><b>C</b></p> <p>C 2:13 3:8 24:2,2</p> <p>called 5:8</p> <p>capability 19:23</p> <p>care 14:4</p> <p>case 4:9 26:3</p> <p>certain 15:3</p> <p>certify 24:10</p> <p>chairman 19:15,24</p> <p>chance 14:11</p> <p>change 9:12 26:5 26:10,11,12,13,14 26:15,16,17,18,19</p> <p>changed 8:19,21 9:2</p> <p>changes 25:17 26:22</p> <p>Civil 1:17</p> <p>client 15:6</p> <p>coincide 20:16</p> <p>collaboration 13:12</p> <p>colleague 6:2</p> <p>come 12:3 16:5,15 16:16</p> <p>commencing 1:24</p> <p>commercialization 11:17</p> <p>commission 24:24</p> <p><b>Commonwealth</b> 1:20 24:4,9</p> <p>company 8:10,17 9:18 16:21 18:3 18:17 19:19,21,22 20:5</p> <p>company's 18:5</p> <p>completed 25:8,21</p> <p>concept 13:4</p> <p>conduct 21:3</p> <p>conducted 22:13</p> <p><b>CONFIDENTIAL</b> 1:1 2:1 3:1 4:1 5:1 6:1 7:1 8:1 9:1 10:1 11:1 12:1 13:1 14:1 15:1 16:1 17:1 18:1 19:1 20:1 21:1 22:1 23:1 24:1 25:1 26:1</p>	<p>consistent 20:7</p> <p>contact 17:14</p> <p>contacts 12:10</p> <p>context 21:2,10,13</p> <p>contract 9:21</p> <p>conversation 17:2,9</p> <p>conversations 12:10 15:18,24 16:2</p> <p>copy 25:8</p> <p>corporate 10:16</p> <p>corporation 8:3 9:7 9:11,21,22 15:22 16:5,9 17:20 18:11,14,16,19 19:9 22:3</p> <p><b>Corporations</b> 22:14</p> <p><b>Corral</b> 3:4</p> <p>correct 5:16 8:17 8:18 15:5 16:13 16:14</p> <p>correction 26:6</p> <p>corrections 25:16 26:22</p> <p>counsel 4:20 5:8 18:18</p> <p>course 14:9</p> <p>court 1:5 4:8,15 5:3 6:13</p> <p>courts 6:4</p> <p>Cubas 3:8</p> <p>currently 7:20,22</p> <p>C.A 1:7</p> <p><b>D</b></p> <p>D 2:4</p> <p>date 17:21 26:7,24</p> <p>dates 8:23 9:13 17:5 20:16,17</p> <p>days 15:18,20</p> <p>DC 2:7</p> <p>Dcha 3:8</p> <p>de 1:15 3:5,8 4:4 5:7 7:17 12:19 15:16 21:21 23:6 24:11 26:2,24</p> <p>dealt 12:12,15</p> <p>defendant 1:12 2:19 3:11 4:8</p> <p>Delaware 1:6,17 4:9</p> <p>delivered 25:6,9,10 25:12</p> <p>deponent 25:8,14</p> <p><b>DEPONENT'S</b> 25:2</p>	<p>deposition 1:15 4:3 4:11,17 5:17,18 23:7,9 24:11 25:12,16 26:2,5 26:21</p> <p><b>Depositions</b> 4:15</p> <p>describe 8:6</p> <p>design 12:24</p> <p>designed 12:21</p> <p>develop 12:8</p> <p>developed 12:3</p> <p>development 10:18</p> <p>difficulty 10:7</p> <p>Directly 16:22</p> <p>director 11:4 19:8</p> <p>directors 17:20</p> <p>discuss 18:11 20:4</p> <p>discussed 21:24</p> <p>discussions 15:15 16:16</p> <p>distinguish 18:21</p> <p>distribution 26:9</p> <p>district 1:5,6 4:8,9</p> <p>document 17:18,23 19:11 21:12</p> <p>documents 9:24 21:7</p> <p>Dodge 1:22 2:14</p> <p>duly 5:9 24:12</p> <p>Dwight 2:3 4:22 5:14 25:10</p> <p>dwright.bostwick... 2:9</p> <p><b>D-E</b> 7:19</p> <p><b>E</b></p> <p>E 24:2,2</p> <p>early 19:20</p> <p>Edwards 1:21 2:14 4:18</p> <p>employees 11:15,21 11:23</p> <p>endurance 7:9</p> <p>engaged 19:19</p> <p>English 17:18 20:21 20:23 21:3,8,12 21:18</p> <p>errata 25:2,5,7,17 25:21 26:4,7,8</p> <p>Escalera 3:13</p> <p>Esq 25:6,11</p> <p>Esquire 2:3,4,12,13 3:3,4 4:14,16</p> <p>Ethypharm 1:8,9 4:5,6,23 5:15 6:3 12:4,7,13,21 13:5</p>
--	---	--	--	---

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Page 28

13:6,8,9,11,14,20 13:23 14:21,23 15:4,5,7,9,17 16:2 16:3,3 20:12,12 21:21 26:3 Europe 18:20 European 18:5,23 evidence 13:22 14:8 19:18 exactly 9:19 15:19 17:5 20:16 <b>EXAMINATION</b> 5:13 examined 5:10 example 21:7,20 Excuse 9:12 Executive 8:11 Exhibit 17:15,17 <b>EXHIBITS</b> 1:4 experience 10:20 10:24 11:5,8,12 expires 24:24 explain 5:22 <b>EYES</b> 1:1 2:1 3:1 4:1 5:1 6:1 7:1 8:1 9:1 10:1 11:1 12:1 13:1 14:1 15:1 16:1 17:1 18:1 19:1 20:1 21:1 22:1 23:1 24:1 25:1 26:1	founding 9:24 foundings 9:23 France 1:8 4:6 16:22 Francois 19:16 French 17:10 21:16 22:5 full 7:16 further 20:4  <b>G</b> G 3:5,5 Garcia-Palencia 3:3 general 11:4 18:4 18:23 give 17:7 go 7:12 going 13:19 14:2,21 14:22 15:2,5,9 19:12 Good 5:14 Grapa 8:4,6,13 Gregorio 3:4 group 8:8,9 10:3,5 guess 19:13 <b>G-A-B-I-N-E-T-E</b> 10:13  <b>H</b> hand 24:16 hear 14:3 heard 14:10 held 4:11,17 help 19:13 hereunto 24:15 Hermet 17:13,14,16 18:4,7,22 20:2 22:4,9 hour 7:13 22:20 Huntington 1:22 2:15 4:18  <b>I</b> identified 5:9 indicate 25:16 indicated 19:24 individuals 22:8 initial 15:24 16:2 16:23 initially 22:4 instructions 25:3 25:14 26:5,9 interest 13:3 16:23 interpreter 3:13 5:4 5:6 introduce	4:21 invitation 18:3 Ivelissa 3:13  <b>J</b> Jean 19:16 Jean-Francois 19:5 19:7 Jean-Pierre 18:4,6 18:22 20:2 22:4,9 jmingolla@eapdl... 2:18 job 6:13 Jonathan 2:4 4:23 6:2 Joseph 2:12 5:2 judicial 10:3,5 June 1:24 4:12 23:5 23:7 24:12,16 <b>J-U-R-I-D-I-C-O</b> 10:13  <b>K</b> kept 8:24 knew 22:5 know 12:10 14:3 15:19,19 17:2,17 22:12,12,19 knowledge 24:14 Kristin 3:14 4:13  <b>L</b> Laboratories 8:4 9:2 Laboratorios 6:10 8:5,13 9:4 laboratory 8:2 11:3 language 20:20 22:2 law 1:21 4:17 lawsuit 5:20 lawyers 6:6,9 14:17 legal 4:13 LEWIS 2:5 LINE 26:10 list 19:2 listed 17:22 little 20:24 21:17 live 7:20 LLP 2:14 long 8:12 15:15 17:6 louder 14:14  <b>M</b> M 1:18 24:7,21 Madrid 3:7 7:21	manager 18:4,23 manufacture 10:20 13:14 14:21,23 15:3,6,9 manufacturer 15:8 manufacturing 13:19 19:22 March 9:9,16 16:8 24:24 marked 17:15 marks 25:18 26:7 Marques 3:8 Massachusetts 1:21 1:23 2:16 4:19 24:4,9 matter 4:5 6:3 14:16 matters 21:24 Mayoral 7:17 meet 23:2 meeting 17:19 20:3 memory 20:7 MERCADO 3:5 met 6:7,11 18:6 microgranules 11:9 middle 20:4 Mingolla 2:12 5:2 minutes 17:15,19 Misstates 16:11 misunderstood 14:24 moment 7:21 month 15:20 morning 7:14 22:23 <b>M-A-Y-O-R-A-L</b> 7:19  <b>N</b> name 4:13 7:16,18 8:3,4,19,24 10:14 18:16 19:6 named 8:17 names 17:22 18:2 18:24 nature 13:10 necessary 14:13 need 7:6 18:21 negotiated 21:20 negotiating 20:11 20:14 negotiations 19:20 20:8 21:3 22:14 never 5:16 21:15 nod 6:18 Notary 1:19 5:10 24:8,22 26:8	notations 25:18 26:7 note 26:5 noted 26:22 November 20:4 number 4:3,9 23:6 NW 2:6  <b>O</b> objection 8:22 10:4 10:17 11:11 12:14 12:22 13:18,21 14:6,8,10 15:11 16:11,17 17:11 18:13 19:17 21:4 21:14 22:11 objections 14:2 October 17:21 offices 1:21 official 9:24 officially 9:23 officials 20:3 Okay 5:24 6:5 7:8 7:15 Omeprazole 11:6,9 once 7:5 ones 19:4 operation 22:17 operations 18:5 organize 9:19,22 original 25:5,10,11  <b>P</b> P 2:3 page 17:23 19:11 25:20 26:8,10 <b>PAGES</b> 1:3 <b>PALENCIA</b> 3:5 Palmer 1:22 2:14 paragraph 19:12 party 25:9 pelletization 11:9 people 17:14 Perez 1:15 4:4 5:7 7:17 23:6 24:11 26:2,24 perfect 6:24 17:8 perform 13:19 Permit 5:22 person 8:7 10:5,12 11:16 16:22 17:10 18:6 personal 11:5 pharmaceutical 8:2 10:19,21 11:3 Pharmaceuticals
---	--	--	--	--

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Page 29

1:11 4:7 26:3 place 17:3 20:8 22:18 plaintiff 4:6 plaintiffs 1:9,16 2:10 4:5 5:8 plan 7:5 plant 15:13 please 4:20 5:4 7:3 position 8:5,10 possibility 15:14 20:5 possible 15:7 20:14 present 4:20 18:3 previously 8:16 prior 11:6,10 15:24 16:3 procedure 1:17 13:15 process 11:4 product 13:2 14:22 production 10:18 10:21 13:4 products 10:19,19 10:22 13:15 14:20 15:3,6,10 Professional 1:19 24:8 proper 10:14 proposal 13:6,8,10 13:12 proximity 20:18 Public 1:19 5:10 24:8,22 26:8 purchase 16:21 18:11 purchased 15:22 16:6,10 19:7 purchasing 16:23 purpose 10:16 13:13,14 pursuant 1:16 put 17:13 P-E-R-E-Z 7:19 p.m 1:24 4:12 23:5 23:10	R 24:2 Rafael 3:3 read 14:18,19 19:12 20:23 26:21 reading 25:16 26:5 reason 26:6,11,12 26:13,14,15,16,17 26:18,19,20 reasons 25:17 Rebeca 3:4 recall 12:12 14:20 20:11 receive 21:7,12 RECEIVED 25:22 recognize 19:2,6 recollection 17:7 record 4:21 7:18 18:15 25:10 26:23 Refer 26:8 Registered 1:18 24:7 relationship 12:4,6 12:8,16,20,23 15:16 relatively 22:19 remember 22:13 REPLACE 25:20 reporter 1:19 4:15 5:4 6:13 24:8 represent 5:15 6:2 representing 4:14 10:12 represents 8:7 required 26:8 researchers 11:19 restate 14:12 rgarciapalencia... 3:10 right 15:4 18:2 19:14 Rimafar 8:17,19 9:3,5,6,8,10,13,15 9:17,18,21 10:2 10:15 11:14,21,24 12:3,21 13:7,9,11 13:16,20 14:20,22 15:2,7,13,23 16:3 16:6,10,20,24 18:12 19:7,22 20:3,15 21:24 Rimafar's 15:10 ROBINSON 2:5 Rossignol 19:5,8,16 22:9 RPR 24:21 Rules 1:17	S SA 4:5,6 19:22 sale 10:18,21 Sarcia 1:18 4:16 24:7,21 satisfactorily 5:9 says 18:2 19:15 seal 24:16 second 14:7 19:12 secretary 11:16 see 6:19 17:18,22 18:24 sell 13:16 September 9:14 11:14 set 24:16 sheet 25:2,5,7,17,21 26:4,6,7,8 short 22:19 sign 25:18 26:7 SIGNATURE 25:3 signed 25:8,21 simply 6:17 7:3,6 10:8 skill 24:14 skills 20:20 sold 9:6,10,15 sorry 14:24 16:7 22:2 sounds 10:6 Spain 1:9 4:6 6:10 7:21 9:2 22:16,18 22:18 Spanish 6:23 10:8 19:21 21:22,23 22:5,6,7,10,15 speak 14:14 20:20 21:16 22:10 specific 13:2 16:19 spell 7:18 17:16 spoke 22:4 spontaneous 12:24 stage 19:20 start 22:23 state 7:16 stated 15:2 19:19 statements 26:23 States 1:5 4:8 6:4 15:22 16:9 19:10 19:17 stop 7:7 Street 2:6 4:19 subscribe 26:22 suite 2:6 summer 9:14 supplied 25:17	sure 20:17 suspended 23:10 swear 5:4 sworn 5:6,9 24:12 S.A 1:8,9	T T 24:2,2 take 6:14 7:5 10:8 21:22 taken 1:16 4:4 5:17 5:20 talking 16:19 tape 4:2 23:6 tell 7:7 17:5 terms 9:12,22 test 7:9 testified 5:11 16:8 testimony 5:20 16:12 25:17 26:6 Thank 7:4 therefor 25:17 26:6 thereof 25:9 things 5:22 think 14:13 17:13 20:16,17 22:20 thought 15:2 Three 11:16 time 6:22 12:3 15:19,21 17:6 20:13 22:6,19 23:4 Tina 1:18 4:16 24:7 24:21 today 6:15 tomorrow 22:21 tonight 7:13 top 8:10 topics 16:19 transcript 24:10 25:12,18,20 26:5 26:7,8,21,22 translate 6:22 10:10 19:14 21:13 translated 21:8 translation 10:4,7 13:18 14:7 translator 6:19,21 19:13 21:6 translators 21:5 22:16 true 24:13 turn 19:11 twenty 11:2,2 two 6:6,9 17:13 18:18,22	type 5:19 U understand 8:16 16:7 17:6 21:11 United 1:5 4:8 6:4 15:22 16:9 19:10 use 15:13 utilize 13:16 U.S 5:20 16:6 19:9 V V 26:3 Vague 10:17 11:11 12:14,22 16:17 17:11 Veronica 2:13 4:24 13:24 25:6 versus 4:7 videographer 3:14 4:2,14 5:3 23:4 videotape 4:3 volume 1:2 25:16 25:18 26:7 vs 1:10 W want 14:3,6 21:8 Washington 2:7 way 14:12 Wednesday 1:23 24:12 we'll 7:7 WHEREOF 24:15 wish 22:22 witness 5:5,7 24:15 witness's 18:21 word 10:9 work 7:22,24 9:3 worked 8:16 working 8:12 11:2 wouldn't 14:11 write 10:11 written 17:18 wrong 15:4 Y year 8:14 17:4 years 11:2,2 Z Zarnetske 3:14 4:13 0 02199 2:16 04-1300-SLR 1:7
--	---	--	--	--	---



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Page 30

<b>041300SOR 4:10</b>	<b>9:00 22:23</b>			
<b>1</b>	<b>91 3:9</b>			
1 1:3,4 17:15,17				
11thday 24:16				
111 1:22 2:15 4:18				
1201 2:6				
13 24:24				
1988 10:22 11:6,10				
11:14,21,22,23				
1991 12:6 17:4,21				
18:9 20:9				
1992 9:16 11:23				
16:9				
1996 8:14				
1998 9:9,14				
<b>2</b>				
2 3:8				
20004 2:7				
2006 1:24 4:12 23:5				
23:8 24:13,17				
2009 24:24				
202.659.6744 2:8				
24 17:21				
25 26:8				
26 1:3				
28 1:24 4:12 23:5				
24:12				
28014 3:7				
29 23:8				
<b>3</b>				
360 3:9				
<b>4</b>				
4:10 1:24				
4:12 4:12				
4:59 23:4,10				
<b>5</b>				
50 12:2				
500 2:6				
51 3:9				
<b>6</b>				
6 3:8				
60 12:2				
617.239.0577 2:17				
<b>8</b>				
8:45 23:2				
8:50 23:3				
83 3:9				
<b>9</b>				
9 19:11				

Page 1

1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY

2 Confidential VOLUME II

For Attorney's Eyes Only PAGES 1 - 75

3 EXHIBITS: 2-7

4 IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF DELAWARE

5

C.A. NO. 04-1300-SLR

6

7 ETHYPHARM S.A. FRANCE and )

ETHYPHARM S.A. SPAIN, )

8 Plaintiffs, )

9 vs. )

10 BENTLEY PHARMACEUTICALS, )

INC., )

11 Defendant. )

12

13

14 CONTINUED DEPOSITION OF ANGEL PEREZ DE  
15 AYALA, taken on behalf of the Plaintiffs,  
16 pursuant to the Delaware Rules of Civil  
17 Procedure before Tina M. Sarcia, Registered  
18 Professional Reporter and Notary Public  
19 within and for the Commonwealth of  
20 Massachusetts, at the law offices of Edwards,  
21 Angell, Palmer & Dodge, 111 Huntington  
22 Avenue, Boston, Massachusetts, on Thursday,  
23 June 29, 2006, commencing at 9:10 a.m.

24

<p style="text-align: right;">Page 2</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 APPEARANCES</p> <p>3 Dwight P. Bostwick, Esquire</p> <p>4 Jonathan D. Fine, Esquire</p> <p>5 BAACH, ROBINSON &amp; LEWIS</p> <p>6 1201 F Street, NW, suite 500</p> <p>7 Washington, DC 20004</p> <p>8 202.659.6744</p> <p>9 dwight.bostwick@baachrobinson.com</p> <p>10 For the Plaintiffs</p> <p>11</p> <p>12 Veronica C. Abreu, Esquire</p> <p>13 EDWARDS, ANGELL, PALMER &amp; DODGE, LLP</p> <p>14 111 Huntington Avenue</p> <p>15 Boston, Massachusetts 02199</p> <p>16 617.239.0577</p> <p>17 vabreu@eapdlaw.com</p> <p>18 For the Defendant</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24 APPEARANCES</p>	<p style="text-align: right;">Page 4</p> <p>1 INDEX</p> <p>2 DEPONENT</p> <p>3 ANGEL PEREZ DE AYALA PAGE</p> <p>4 Examination by Mr. Bostwick 5, 70</p> <p>5 Examination by Ms. Abreu 62</p> <p>6</p> <p>7 EXHIBITS</p> <p>8</p> <p>9 NO. DESCRIPTION PAGE</p> <p>10 2 Declaration of intentions, EP 2542 6</p> <p>11 3 Letter, EP 2715 20</p> <p>12 4 Letter, EP 2466 26</p> <p>13 5 Document, EP 9095 39</p> <p>14 7 Document, EP 3317 60</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>
<p style="text-align: right;">Page 3</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Rafael Garcia-Palencia, Esquire</p> <p>3 Rebeca Corral Gregorio, Esquire</p> <p>4 ALZAGA, G. PALENCIA, G. DE MERCADO &amp;</p> <p>5 ASOCIADOS</p> <p>6 28014 Madrid</p> <p>7 C/. Marques de Cubas, 6, 2 Dcha</p> <p>8 91 360 51 83</p> <p>9 rgarciapalencia@iberforno.net</p> <p>10 For the Defendant</p> <p>11</p> <p>12 THE INTERPRETER: Ivelissa Escalera</p> <p>13 THE VIDEOGRAPHER: Kristin Zarnetske</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 5</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 THE VIDEOGRAPHER: The time is 9:10</p> <p>3 a.m. on June 29, 2006. This is tape number</p> <p>4 one, volume two of the continued videotaped</p> <p>5 deposition of Mr. Angel Perez De Ayala.</p> <p>6 EXAMINATION BY MR. BOSTWICK</p> <p>7 Q. Good morning, Mr. Ayala.</p> <p>8 A. Good morning.</p> <p>9 Q. We discussed yesterday that you are currently</p> <p>10 employed by Laboratorios Grapa, correct?</p> <p>11 A. Grapa, correct.</p> <p>12 Q. Since you have been working at Laboratorios</p> <p>13 Grapa, have you done business with Bentley</p> <p>14 Pharmaceuticals?</p> <p>15 A. No, not at all.</p> <p>16 Q. Since you have been working at Laboratorios</p> <p>17 Grapa, have you done business with</p> <p>18 Laboratorios Belmac?</p> <p>19 A. No, not at all.</p> <p>20 Q. Am I correct that you have no current</p> <p>21 business relationship with either</p> <p>22 Laboratorios Belmac or Bentley</p> <p>23 Pharmaceuticals?</p> <p>24 A. Yes, that's correct.</p>

2 (Pages 2 to 5)

<p style="text-align: right;">Page 6</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. Let me draw your attention to 1991. You</p> <p>3 began your business relationship with</p> <p>4 Ethypharm in 1991; is that correct?</p> <p>5 A. Correct.</p> <p>6 Q. Before Rimafar began its business</p> <p>7 relationship with Ethypharm in 1991, did</p> <p>8 Rimafar have any experience in manufacturing</p> <p>9 Omeprazole?</p> <p>10 A. No.</p> <p>11 Q. Manufacturing Lansoprazole?</p> <p>12 A. No.</p> <p>13 Q. In manufacturing pellets?</p> <p>14 A. No.</p> <p>15 Q. In microgranulation or pelletization?</p> <p>16 A. No.</p> <p>17 (Exhibit No. 2, Declaration of</p> <p>18 intentions, EP 2542, so marked)</p> <p>19 Q. Let me show you a document which we will mark</p> <p>20 as Exhibit No. 2, and I would ask you to take</p> <p>21 a look at that document, and tell me if you</p> <p>22 recognize it.</p> <p>23 Mr. Ayala, have you reviewed that</p> <p>24 document sufficiently to tell me whether you</p>	<p style="text-align: right;">Page 8</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. At the very beginning both parties we have</p> <p>3 common interests. That's why I said it was</p> <p>4 intention. That later on we had to write</p> <p>5 down and organize on a formal contract for it</p> <p>6 to be definitely.</p> <p>7 Q. Do you remember -- first of all, is one of</p> <p>8 these your signatures on the first page of</p> <p>9 Exhibit 2?</p> <p>10 A. Yes.</p> <p>11 Q. Which one? There's one on the side and one</p> <p>12 at the bottom, a signature at the side and a</p> <p>13 signature at the bottom?</p> <p>14 A. The one on the left side.</p> <p>15 Q. Does each page contain your signature?</p> <p>16 A. More than a signature. More like initials,</p> <p>17 but yes, they're mine, just to point I have</p> <p>18 read it.</p> <p>19 Q. Now, on page 6 of the document, there is some</p> <p>20 handwriting near the top above number eight?</p> <p>21 A. Yes.</p> <p>22 Q. Is that your handwriting as well?</p> <p>23 A. Yes.</p> <p>24 Q. Could you tell me what that says, the</p>
<p style="text-align: right;">Page 7</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 recognize it?</p> <p>3 A. I need to read it.</p> <p>4 Q. That's fine. Take your time. Mr. Ayala,</p> <p>5 you've had an opportunity to review Exhibit</p> <p>6 No. 2?</p> <p>7 A. Yes, correct.</p> <p>8 Q. Is that a document you recognize?</p> <p>9 A. Yes.</p> <p>10 Q. What is that document?</p> <p>11 A. A declaration of intentions.</p> <p>12 Q. Is a declaration of intentions the same thing</p> <p>13 in your mind as an agreement or a contract?</p> <p>14 A. Yes.</p> <p>15 Q. The title of the document is "Contracto De</p> <p>16 Fabricacion" which in English would be</p> <p>17 manufacturing contract?</p> <p>18 MS. ABREU: Objection.</p> <p>19 A. But it's not the reality of the content of</p> <p>20 this agreement. During my time, Rimafar</p> <p>21 never manufactured but for Ethypharm.</p> <p>22 Q. Mr. Ayala, can you explain to me why you</p> <p>23 believe that Exhibit No. 2 is not a contract</p> <p>24 but is a declaration of intention?</p>	<p style="text-align: right;">Page 9</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 handwriting at the top of page 6?</p> <p>3 A. That my initials or signatures are up to this</p> <p>4 point, nothing else.</p> <p>5 Q. Do I understand correctly that you have not</p> <p>6 agreed to points 8, 9, 10 and 11 on page 6?</p> <p>7 A. Exactly. I was not in agreement.</p> <p>8 Q. With those sections?</p> <p>9 A. Yes. My intentions in this declarations is</p> <p>10 to tell the truth as a witness. So I'm</p> <p>11 trying to remember as best as I can, you</p> <p>12 know, with the benefits of my collaboration</p> <p>13 to be as clear as possible. At the beginning</p> <p>14 we came to an agreement of this intentions</p> <p>15 with interest of continuing the project. A</p> <p>16 project that it never got completed during my</p> <p>17 time.</p> <p>18 Q. Tell me if my understanding is not correct,</p> <p>19 but my understanding based on what you have</p> <p>20 just said is that for the pages up to page 6</p> <p>21 and for the portions of the agreement that</p> <p>22 are sections 1 through 7, there was an</p> <p>23 intention to agree with Ethypharm; is that</p> <p>24 correct?</p>

3 (Pages 6 to 9)

<p style="text-align: right;">Page 10</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 MS. ABREU: Objection. Misstates</p> <p>3 testimony. Leading as to matters of</p> <p>4 substance.</p> <p>5 A. Yes.</p> <p>6 Q. And as to 8, 9, 10 and 11, there was no</p> <p>7 intention?</p> <p>8 MS. ABREU: Same objection.</p> <p>9 Q. Is that correct?</p> <p>10 A. No, it's not correct. The discussion and</p> <p>11 review of the entire agreement we didn't get</p> <p>12 to complete it, so what end up in practice</p> <p>13 was completely different.</p> <p>14 Q. Am I correct that the date of the document is</p> <p>15 November 29, 1991?</p> <p>16 A. I don't remember.</p> <p>17 Q. Do you have a memory of a meeting with</p> <p>18 Ethypharm representatives when you signed</p> <p>19 this agreement or this document?</p> <p>20 A. I had various meetings with Ethypharm, yes.</p> <p>21 Q. Do you remember the specific date that you</p> <p>22 signed this document, Exhibit 2?</p> <p>23 MS. ABREU: Objection. Asked and</p> <p>24 answered.</p>	<p style="text-align: right;">Page 12</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 the parties, did Ethypharm provide</p> <p>3 Laboratorios Belmac information --</p> <p>4 MS. ABREU: Objection. Laboratorios</p> <p>5 Belmac was not in existence at the time.</p> <p>6 This is Rimafar.</p> <p>7 MR. BOSTWICK: It would be better if</p> <p>8 the objections come at the end of the</p> <p>9 question.</p> <p>10 MS. ABREU: I apologize.</p> <p>11 Q. In accordance with the intentions of the</p> <p>12 parties, did Ethypharm give to Rimafar</p> <p>13 know-how and information relating to</p> <p>14 Omeprazole?</p> <p>15 A. No.</p> <p>16 Q. Did Ethypharm provide any information or</p> <p>17 know-how to Rimafar regarding Omeprazole from</p> <p>18 1991 to 1994?</p> <p>19 A. No.</p> <p>20 Q. Let me ask you: Did you have any discussions</p> <p>21 with Belmac Corporation before initializing</p> <p>22 this document, Exhibit No. 2?</p> <p>23 A. With Belmac Corporation, no.</p> <p>24 Q. Who were your contacts at Belmac Corporation</p>
<p style="text-align: right;">Page 11</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. No, I'm sorry. I don't remember.</p> <p>3 Q. Do you know whose signature or initials are</p> <p>4 at the bottom of page 1?</p> <p>5 A. No, I don't remember.</p> <p>6 Q. Can I direct your attention to Section 1.6 on</p> <p>7 page 2. At the very top, the paragraph</p> <p>8 entitled "Know-How." Do you see that</p> <p>9 paragraph?</p> <p>10 A. Yes.</p> <p>11 Q. What is your understanding of the intention</p> <p>12 of that paragraph?</p> <p>13 A. It refers to the information of the know-how</p> <p>14 of the process of manufacturing. It's</p> <p>15 referring to the information of the</p> <p>16 manufacturing process.</p> <p>17 Q. Was that information the property of</p> <p>18 Ethypharm?</p> <p>19 A. If the manufacturing had happened, the</p> <p>20 information and the process belonged to</p> <p>21 Ethypharm, but at this point, nothing had</p> <p>22 been manufactured yet.</p> <p>23 Q. Did Ethypharm provide -- strike that.</p> <p>24 In accordance with the intentions of</p>	<p style="text-align: right;">Page 13</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 in the United States from 1991 through 1994?</p> <p>3 MS. ABREU: Objection. Foundation.</p> <p>4 A. Different people.</p> <p>5 Q. Can you tell me the names of those people?</p> <p>6 A. Ronald Stuart and Michael Hansberger between</p> <p>7 the years of 1992 and 1994, and for the most</p> <p>8 part, Michael.</p> <p>9 Q. How often did you contact or how often did</p> <p>10 you have conversations with Ronald Stuart and</p> <p>11 Michael Hansberger from 1992 to 1994?</p> <p>12 A. Very few. You know, more of it was just</p> <p>13 information that I was passing to them. You</p> <p>14 know, maybe just once a month or so,</p> <p>15 approximately.</p> <p>16 Q. Did you pass this information by mail or</p> <p>17 through telephone calls or meetings?</p> <p>18 A. It was usually a written statement via</p> <p>19 e-mail.</p> <p>20 Q. Did you have e-mail in 1991 to 1994?</p> <p>21 THE INTERPRETER: He meant the years</p> <p>22 1992.</p> <p>23 Q. Let's go back. I think you have to finish</p> <p>24 the answer.</p>

4 (Pages 10 to 13)



<p style="text-align: right;">Page 14</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. 1991, no. Towards the end of 1992 on, yes,</p> <p>3 we had e-mail service.</p> <p>4 Q. So your contact with Belmac U.S.A. during the</p> <p>5 periods 1992 to 1994 was generally by e-mail?</p> <p>6 A. No. Usually it was via phone with my</p> <p>7 bilingual secretary or Mr. Hansberger's</p> <p>8 secretary, which was native Spanish. In the</p> <p>9 year 1992, and I don't remember if it was at</p> <p>10 the beginning or the end, the caring</p> <p>11 (phonetic) director, administrator at that</p> <p>12 time proposed an electronic address or</p> <p>13 communication. It was the very beginnings of</p> <p>14 the e-mail way of communicating.</p> <p>15 I don't know if the technology then</p> <p>16 was exactly as we know it today, but it was a</p> <p>17 direct way of communication.</p> <p>18 MS. ABREU: Objection. Translation.</p> <p>19 Q. I have a suggestion about the translations.</p> <p>20 If you have a longer answer, if you are able</p> <p>21 to pause in between the sentences of the</p> <p>22 answer, then it will give the translator an</p> <p>23 opportunity to do a good job.</p> <p>24 A. Correct. I apologize.</p>	<p style="text-align: right;">Page 16</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. Correct.</p> <p>3 Q. How often did you have those meetings?</p> <p>4 A. Very few and long time between one and</p> <p>5 another.</p> <p>6 Q. How many times per year in general?</p> <p>7 A. No more than two.</p> <p>8 Q. Did you have weekly telephone conversations</p> <p>9 with them?</p> <p>10 A. No.</p> <p>11 Q. Where would you meet? In the United States</p> <p>12 or in Spain?</p> <p>13 A. In Spain and in United States. Twice I went</p> <p>14 to Tampa.</p> <p>15 Q. Who did you meet with in Tampa?</p> <p>16 A. Mr. Stuart and Mr. Berenguer, Ms. Noriega,</p> <p>17 and maybe some other people from the office</p> <p>18 that I just did not know them.</p> <p>19 Q. Do you recall what you discussed on those</p> <p>20 occasions?</p> <p>21 A. No. You know, it was nothing special. The</p> <p>22 first time that I went to Tampa it was more</p> <p>23 out of courtesy, just to meet them.</p> <p>24 Q. Do you recall the second visit?</p>
<p style="text-align: right;">Page 15</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. That's okay. Did you have meetings with</p> <p>3 people from Belmac U.S.A. during the 1992 to</p> <p>4 1994 time period?</p> <p>5 A. Yes.</p> <p>6 Q. With whom?</p> <p>7 A. Mr. Stuart, Mr. Hansberger.</p> <p>8 Q. Anyone else?</p> <p>9 A. Always bilingual secretary.</p> <p>10 Q. Do you recall the name of your secretary who</p> <p>11 translated?</p> <p>12 A. My secretary?</p> <p>13 Q. Yes.</p> <p>14 A. Christina.</p> <p>15 Q. Do you recall her last name?</p> <p>16 A. No.</p> <p>17 Q. How about the secretary in the USA? Do you</p> <p>18 recall her name?</p> <p>19 A. Yes.</p> <p>20 Q. What was her name?</p> <p>21 A. Noriega.</p> <p>22 Q. You had indicated you did hold some meetings</p> <p>23 with Mr. Hansberger and Mr. Stuart; is that</p> <p>24 correct?</p>	<p style="text-align: right;">Page 17</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. Yes.</p> <p>3 Q. And what was the topic of discussion -- what</p> <p>4 was the topic -- pardon. Strike that.</p> <p>5 What did you speak of during that</p> <p>6 second meeting?</p> <p>7 A. Fundamentally it was to complete my function</p> <p>8 as president of Belmac Laboratories in</p> <p>9 France.</p> <p>10 Q. So is it my understanding that you were both</p> <p>11 president of Laboratorios Belmac in Spain and</p> <p>12 Laboratorios Belmac in France at a certain</p> <p>13 time?</p> <p>14 MS. ABREU: Objection. Foundation.</p> <p>15 A. It did coincide at some point.</p> <p>16 Q. Do you recall when you became president of</p> <p>17 Laboratorios Belmac in France?</p> <p>18 A. Yes.</p> <p>19 Q. When was that?</p> <p>20 A. Approximately either March or April of 1993.</p> <p>21 Q. Who appointed you to that position?</p> <p>22 A. Mr. Stuart and Mr. Berenguer, and I don't</p> <p>23 remember somebody else, maybe Mr. Neff.</p> <p>24 Q. Can you tell me a little bit about the</p>

5 (Pages 14 to 17)

<p style="text-align: right;">Page 18</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 operations of Laboratorios Belmac in France?</p> <p>3 For example, was it manufacturing? Was it</p> <p>4 sales? What was the business?</p> <p>5 A. When I took the position as president, there</p> <p>6 was no operation. There was nothing. There</p> <p>7 was no commercialization. They were waiting</p> <p>8 for registration of a product which wasn't in</p> <p>9 existence yet.</p> <p>10 Q. Were there any employees of Laboratorios</p> <p>11 France?</p> <p>12 A. Initially when I took over as president, no.</p> <p>13 Q. And later?</p> <p>14 A. Not either, because the operation in France</p> <p>15 ended.</p> <p>16 Q. When did the operation in France end?</p> <p>17 A. I ended as president. It was approximately</p> <p>18 one year beginning of 1994, and from there on</p> <p>19 I don't know anything else of France.</p> <p>20 MS. ABREU: Objection. Translation.</p> <p>21 Q. Whose decision to close the operations in</p> <p>22 France?</p> <p>23 A. I have no idea. I don't know. It wasn't an</p> <p>24 operation. It was a project.</p>	<p style="text-align: right;">Page 20</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 answered.</p> <p>3 A. I don't know. I do know that I voluntarily</p> <p>4 resigned as president. There is nothing for</p> <p>5 me to be president of.</p> <p>6 Q. I apologize. I had forgotten whether you had</p> <p>7 mentioned the date you resigned in France.</p> <p>8 A. I didn't say a date. I do know it was the</p> <p>9 beginnings of 1994 approximately.</p> <p>10 (Exhibit No. 3, Letter, EP 2715, so</p> <p>11 marked)</p> <p>12 Q. Let me show you another document, and this is</p> <p>13 Exhibit 3. Do you read French?</p> <p>14 A. Yes.</p> <p>15 Q. As you can see, this is a document that is</p> <p>16 written in French, and it appears to be a</p> <p>17 letter dated June 23, 1992; is that correct?</p> <p>18 A. Yes, 23rd of June, 1992.</p> <p>19 Q. And it appears to be sent to you from a</p> <p>20 Mr. Gerard Leduc from Ethypharm. Do you</p> <p>21 recall this letter?</p> <p>22 A. No.</p> <p>23 Q. I would like to go over certain paragraphs in</p> <p>24 this letter. Okay. Why don't you take a</p>
<p style="text-align: right;">Page 19</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. As president of Laboratorios Belmac in</p> <p>3 France, was it your decision to stop that</p> <p>4 project?</p> <p>5 MS. ABREU: Objection. French</p> <p>6 subsidiary is called Belmac Europe, not</p> <p>7 Laboratorios Belmac France.</p> <p>8 THE INTERPRETER: He said no. And</p> <p>9 you mean to suppress? And now he's</p> <p>10 requesting to, please, ask the question</p> <p>11 again.</p> <p>12 Q. Could you ask the question again?</p> <p>13 (Question read)</p> <p>14 A. No. No, there was no project. No, my</p> <p>15 decision was to resign of the position as</p> <p>16 president. That was my decision.</p> <p>17 Q. Did the project terminate or end?</p> <p>18 A. When I finish, there was nothing. You know,</p> <p>19 I don't know if they continued, but the year</p> <p>20 that I ended, yes.</p> <p>21 Q. Did Belmac Corporation in the United States</p> <p>22 make the decision to terminate the project in</p> <p>23 France?</p> <p>24 MS. ABREU: Objection. Asked and</p>	<p style="text-align: right;">Page 21</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 moment to read it in its entirety first, and</p> <p>3 then I will ask you my questions. Okay. You</p> <p>4 have had an opportunity to review Exhibit</p> <p>5 No. 3?</p> <p>6 A. Yes, correct.</p> <p>7 Q. In the first paragraph the letter says that</p> <p>8 the conditions suggested by Rimafar for the</p> <p>9 reimbursement of investments that we have</p> <p>10 made in your factory for your benefit in</p> <p>11 order to bring the manufacturing norms to an</p> <p>12 operational pharmaceutical standard --</p> <p>13 A. They're not norms. They're rooms,</p> <p>14 manufacturing rooms.</p> <p>15 Q. -- are unacceptable. Do you recall a</p> <p>16 discussion about -- well, strike that.</p> <p>17 Do you recall that Ethypharm made</p> <p>18 investments in manufacturing rooms in</p> <p>19 Rimafar's factory?</p> <p>20 MS. ABREU: Objection. Time frame.</p> <p>21 A. Installations.</p> <p>22 Q. So Ethypharm did make investments in</p> <p>23 installations at Rimafar's factory; is that</p> <p>24 correct?</p>

6 (Pages 18 to 21)

<p style="text-align: right;">Page 22</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. Yes, there's some space.</p> <p>3 Q. And do you recall a discussion about how</p> <p>4 those investments would be reimbursed?</p> <p>5 A. Yes. There was no reimbursement. The</p> <p>6 installations were ownership of Ethypharm,</p> <p>7 the machinery also.</p> <p>8 Q. So Rimafar did not reimburse Ethypharm for</p> <p>9 the installations or the machinery; is that</p> <p>10 correct?</p> <p>11 A. Correct.</p> <p>12 Q. And the installations and the machinery were</p> <p>13 the property of Ethypharm, correct?</p> <p>14 A. Correct.</p> <p>15 Q. Now, if we go to the second paragraph, it</p> <p>16 reads, I remind you without investment it</p> <p>17 would have been impossible to fulfill the</p> <p>18 requirements of the authorities and the</p> <p>19 clients in terms of GMP or good manufacturing</p> <p>20 practices.</p> <p>21 Do you recall that investment by</p> <p>22 Ethypharm was required to fulfill the</p> <p>23 requirements of GMP?</p> <p>24 A. To be able to install and make production for</p>	<p style="text-align: right;">Page 24</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 substances.</p> <p>3 Q. Is the process you're referring to</p> <p>4 pelletization?</p> <p>5 A. Yes, it's also called pellet -- in Spanish --</p> <p>6 pelletization.</p> <p>7 Q. Or microgranulation?</p> <p>8 A. Correct.</p> <p>9 Q. In the third paragraph on the letter it</p> <p>10 reads, I suggest that you insist with</p> <p>11 Mr. Jean-Francois Rossignol so that I can</p> <p>12 finally have a direct relation in order to</p> <p>13 solve this problem. I have left many</p> <p>14 messages at Belmac both in France and in the</p> <p>15 States for more than three months without any</p> <p>16 response.</p> <p>17 Do you recall Mr. Leduc wanting to</p> <p>18 have a direct relation with Mr. Rossignol in</p> <p>19 the United States?</p> <p>20 MS. ABREU: Objection. Ambiguous.</p> <p>21 Confusing. And it's the witness who should</p> <p>22 testify as to the meaning of the letter.</p> <p>23 A. The question is if I remember that Mr. Leduc</p> <p>24 wanted to have a meeting with Mr. Rossignol?</p>
<p style="text-align: right;">Page 23</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Ethypharm, it was required, the installations</p> <p>3 of GMP.</p> <p>4 Q. Can you describe for us what the term "GMP"</p> <p>5 means?</p> <p>6 A. They're international norms of installation</p> <p>7 to process pharmaceutical products.</p> <p>8 Q. What types of products were Rimafar and</p> <p>9 Ethypharm preparing to manufacture at Rimafar</p> <p>10 during this time period?</p> <p>11 A. Ethypharm had projects of various substances</p> <p>12 or active substances, you know. It's called</p> <p>13 beginnings, active of beginnings.</p> <p>14 Q. Principios (phonetic), does that mean</p> <p>15 ingredients or substances in English or do</p> <p>16 you know?</p> <p>17 A. Yes, ingredients and active substances.</p> <p>18 Q. Was Omeprazole one of the products that was</p> <p>19 going to be manufactured at Rimafar?</p> <p>20 A. No. Ethypharm had a process of pelletization</p> <p>21 or like the coverage of the active</p> <p>22 substances, process to protect very diverse</p> <p>23 active substances, among them, Omeprazole,</p> <p>24 but not to manufacture none of the</p>	<p style="text-align: right;">Page 25</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Is that the question?</p> <p>3 Q. Yes.</p> <p>4 A. I don't know.</p> <p>5 Q. You don't recall?</p> <p>6 A. I don't know. I just don't know.</p> <p>7 Q. The next paragraph reads, I remind you in</p> <p>8 addition that the know-how relating to the</p> <p>9 manufacturing of the microgranules which we</p> <p>10 are carrying out in your factory is</p> <p>11 absolutely not your property. In particular,</p> <p>12 none of the elements regarding Omeprazole has</p> <p>13 been transferred or entrusted to you, and you</p> <p>14 do not have the possibility to use in whole</p> <p>15 or in part for your own use.</p> <p>16 Do you recall -- do you agree with</p> <p>17 that statement?</p> <p>18 A. Yes.</p> <p>19 Q. The next paragraph says, We agree, however,</p> <p>20 to collaborate in case you would wish to</p> <p>21 register this product in Spain.</p> <p>22 My question to you is do you recall</p> <p>23 registering the Omeprazole product in Spain</p> <p>24 as Rimafar?</p>

7 (Pages 22 to 25)

<p style="text-align: right;">Page 26</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. Yes.</p> <p>3 Q. Do you recall when you did that?</p> <p>4 A. Approximately 1989, the process and</p> <p>5 administration of the process are very long,</p> <p>6 and I believe that we began in 1989.</p> <p>7 Q. Did you -- strike that.</p> <p>8 Let me show you another document.</p> <p>9 A. I don't remember this one. I want to make</p> <p>10 sure it's constant I don't remember this one.</p> <p>11 Q. You're talking about Exhibit 3? You don't</p> <p>12 have a memory of that letter; is that</p> <p>13 correct?</p> <p>14 A. No.</p> <p>15 (Exhibit No. 4, Letter, EP 2466, so</p> <p>16 marked)</p> <p>17 Q. Now, I'm going to show you Exhibit 4, and</p> <p>18 this is a document that is in English,</p> <p>19 correct?</p> <p>20 A. Correct.</p> <p>21 Q. Is this a letter from you to Mr. Leduc at</p> <p>22 Ethypharm?</p> <p>23 A. It seems like it, yes.</p> <p>24 Q. Now, before I ask you questions about this</p>	<p style="text-align: right;">Page 28</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. Yes. We began with a name, you know, when he</p> <p>3 was registering Rimafar, and it was Ulzus</p> <p>4 Rima, meaning Rimafar.</p> <p>5 Q. Could you spell that for the court reporter?</p> <p>6 A. I think this was the initial name. I think</p> <p>7 it was a commercial name, U-L-Z-U-S R-I-M-A.</p> <p>8 Q. Is it -- strike that.</p> <p>9 So you began the process of</p> <p>10 registration before Belmac in the U.S.</p> <p>11 purchased Rimafar; is that correct?</p> <p>12 A. Yes.</p> <p>13 Q. Is it possible to register a product</p> <p>14 generally with general knowledge and without</p> <p>15 being actually able to manufacture that</p> <p>16 product?</p> <p>17 MS. ABREU: Objection. Calls for</p> <p>18 speculation.</p> <p>19 A. Yes. It's not possible to manufacture before</p> <p>20 authorization.</p> <p>21 Q. And is it possible to obtain authorization to</p> <p>22 register a product without having the</p> <p>23 understanding of how to actually manufacture</p> <p>24 that product?</p>
<p style="text-align: right;">Page 27</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 document, I had asked before whether you</p> <p>3 registered the product of Omeprazole as</p> <p>4 Rimafar. Do you recall that question?</p> <p>5 A. Correct.</p> <p>6 Q. No. Do you recall the question?</p> <p>7 A. Yes.</p> <p>8 Q. Was it registered as Rimafar or Laboratorios</p> <p>9 Belmac or Belmac or do you recall?</p> <p>10 MS. ABREU: Objection. Belmac what?</p> <p>11 A. Rimafar.</p> <p>12 Q. When did the name Rimafar change to</p> <p>13 Laboratorios Belmac?</p> <p>14 A. After the purchase.</p> <p>15 Q. Do you recall what date that would be?</p> <p>16 A. The purchase was March 1992, and afterwards,</p> <p>17 there was a process of change of name.</p> <p>18 Q. Do you recall when the registration of</p> <p>19 Omeprazole was finalized?</p> <p>20 A. The authorization of commercialization</p> <p>21 happened afterwards, about 1993, beginnings</p> <p>22 of 1993, I believe, the authorization.</p> <p>23 Q. Does that change your understanding of the</p> <p>24 name in which Omeprazole was registered?</p>	<p style="text-align: right;">Page 29</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 MS. ABREU: Objection. Confusing.</p> <p>3 Leading.</p> <p>4 A. No, it's not possible.</p> <p>5 Q. Let me refer you to this letter which is, I</p> <p>6 believe, Exhibit 4. Can you recognize -- do</p> <p>7 you recognize this document?</p> <p>8 A. I recognize my signature.</p> <p>9 Q. So this is a document that you signed and</p> <p>10 sent to Mr. Leduc, correct?</p> <p>11 A. I don't know. You know, I recognize my</p> <p>12 signature, but I don't recognize the</p> <p>13 document, so I don't know.</p> <p>14 Q. This document is written in English. Do you</p> <p>15 ever write letters in English?</p> <p>16 A. Not me directly. Sometimes through my</p> <p>17 secretary.</p> <p>18 Q. So, in other words, sometimes you write a</p> <p>19 letter in Spanish, and then your secretary</p> <p>20 translates it for your signature?</p> <p>21 A. It's possible. But always with the original</p> <p>22 copy in Spanish.</p> <p>23 Q. In other words, you send the original Spanish</p> <p>24 copy as well?</p>

8 (Pages 26 to 29)

<p style="text-align: right;">Page 30</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. No, for my files.</p> <p>3 Q. Let me address your attention to the second</p> <p>4 paragraph of the letter. First, at the very</p> <p>5 top it says, Dear, Sir, I'm gladly going to</p> <p>6 answer your fax dated 6/23/92.</p> <p>7 And do you understand that refers to</p> <p>8 Exhibit 3?</p> <p>9 A. It's possible.</p> <p>10 Q. And the second paragraph says, Second,</p> <p>11 Rimafar did not have the intention of</p> <p>12 adapting its facilities to meet the GMP rules</p> <p>13 to manufacture pellets. Is that true?</p> <p>14 A. Yes, it's correct. He just repeated exactly</p> <p>15 what I said.</p> <p>16 Q. If we drop down one line, it says, We have</p> <p>17 assigned 216 M of our laboratories and hired</p> <p>18 five people only and specially to manufacture</p> <p>19 for Ethypharm, based on your insistence and</p> <p>20 the promises of millionaire orders and</p> <p>21 contracts with third parties which would</p> <p>22 represent a profitable deal.</p> <p>23 Is that a true statement?</p> <p>24 A. The concept is truth.</p>	<p style="text-align: right;">Page 32</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 ministry of health to present dossier in</p> <p>3 amplitude with all the details of the product</p> <p>4 that we're interested or pretending to</p> <p>5 register, and everything, all the process of</p> <p>6 collaboration, prime material or active</p> <p>7 substance and other ingredients, secondary</p> <p>8 ingredients, a conditioning process and all</p> <p>9 the practical detail of manufacturing that we</p> <p>10 presented in the year 1989 I believe for the</p> <p>11 registry of our Omeprazole.</p> <p>12 Q. Where did you get that information that</p> <p>13 formed the basis of the dossier?</p> <p>14 MS. ABREU: Objection. Time frame.</p> <p>15 Q. For Omeprazole?</p> <p>16 A. At the pharma copy.</p> <p>17 Q. What is the pharma copy?</p> <p>18 A. It's a conjunction of instructions and</p> <p>19 references that exists to treat the</p> <p>20 pharmaceutical products, pharm copy, American</p> <p>21 pharm copy, European pharm copy and Spanish</p> <p>22 pharm copy.</p> <p>23 Q. Is this all public information?</p> <p>24 A. Yes, public.</p>
<p style="text-align: right;">Page 31</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. Do you recall hiring five people -- pardon.</p> <p>3 A. Only that is not manufacturing for Ethypharm,</p> <p>4 is manufacturing by Ethypharm. Ethypharm was</p> <p>5 the one manufacturing.</p> <p>6 Q. Did you hire five people to assist with the</p> <p>7 manufacturing of Omeprazole around 1992?</p> <p>8 A. It's possible. Machinery maintenance or</p> <p>9 cleaning of machinery, the cleaning of the</p> <p>10 installations, transporting of merchandise of</p> <p>11 what could have been manufactured. This was</p> <p>12 practically it.</p> <p>13 Q. Turning to paragraph 5 or the paragraph</p> <p>14 marked fifth, it says, We don't need</p> <p>15 Ethypharm technology to register and</p> <p>16 commercialize our Omeprazole. Our registered</p> <p>17 dossier has not been prepared based on your</p> <p>18 technology. We have received offers of</p> <p>19 pellets even in capsules. Do you see that,</p> <p>20 those two lines?</p> <p>21 A. Yes, of course.</p> <p>22 Q. Can you explain that to me in anymore detail?</p> <p>23 A. Yes. It is necessary when you request the</p> <p>24 registry of the product to the Spanish</p>	<p style="text-align: right;">Page 33</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. This is not proprietary know-how?</p> <p>3 A. No. It's public. The know-how is the</p> <p>4 application of the knowledge of the pharm</p> <p>5 copy.</p> <p>6 Q. Let me take you to paragraph 4, and this</p> <p>7 paragraph reads, Fourth, we have never said</p> <p>8 that the savoir-faire -- does that mean</p> <p>9 know-how?</p> <p>10 A. You know, it's kind -- it could be know-how.</p> <p>11 It's like meaning that you know how to do it,</p> <p>12 but what is the translation of know-how</p> <p>13 exactly.</p> <p>14 Q. Why don't I ask you what your understanding</p> <p>15 of the word "know-how" means?</p> <p>16 MS. ABREU: Objection. Confusing.</p> <p>17 A. I understand it's the conjunction of</p> <p>18 knowledge of a topic. Saffair means to know</p> <p>19 how to do something.</p> <p>20 Q. And is some know-how that companies create</p> <p>21 secret?</p> <p>22 A. Yes.</p> <p>23 Q. And is some know-how that companies create</p> <p>24 valuable?</p>

9 (Pages 30 to 33)



<p style="text-align: right;">Page 34</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 MS. ABREU: Objection. Calls for</p> <p>3 speculation.</p> <p>4 A. Yes.</p> <p>5 Q. And sometimes pharmaceutical companies enter</p> <p>6 into agreements that acknowledge that --</p> <p>7 A. Sometimes it's possible.</p> <p>8 Q. -- that recognize that one party holds secret</p> <p>9 know-how as its own property?</p> <p>10 MS. ABREU: Objection. Calls for</p> <p>11 speculation.</p> <p>12 A. That one of the parties --</p> <p>13 Q. Let me strike this, and I'll ask the question</p> <p>14 in a slightly different way. I'm asking now</p> <p>15 a very general question for people who do not</p> <p>16 work in the pharmaceutical industry. I don't</p> <p>17 work in the pharmaceutical industry, and I'm</p> <p>18 trying to understand a concept.</p> <p>19 A. We're in agreement.</p> <p>20 Q. Is it common in the pharmaceutical industry</p> <p>21 for one company to develop know-how that is</p> <p>22 valuable about manufacturing a product and to</p> <p>23 enter into agreements with other companies to</p> <p>24 keep that know-how secret?</p>	<p style="text-align: right;">Page 36</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. No, not necessarily.</p> <p>3 Q. And if you do share that information, that</p> <p>4 valuable know-how, you will often enter into</p> <p>5 an agreement that says that the other party</p> <p>6 can't use it without your permission?</p> <p>7 A. Yes, it will be part of the text of the</p> <p>8 agreement of the conditions. I always sign a</p> <p>9 contract. Always a contract would be signed.</p> <p>10 Q. About the know-how?</p> <p>11 A. Decision of the know-how utilization of the</p> <p>12 know-how and other reciprocal concept.</p> <p>13 That's how I do things.</p> <p>14 Q. Let me refer you to paragraph six or the</p> <p>15 paragraph marked six. It says, Sixth, the</p> <p>16 relationship between Rimafar and Ethypharm is</p> <p>17 previous to the appearance of our president</p> <p>18 Mr. Rossignol, and I am obliged to clarify</p> <p>19 this point by myself.</p> <p>20 I do not understand that sentence.</p> <p>21 Do you know what you meant by that in this</p> <p>22 letter?</p> <p>23 A. Although I don't remember the letter in</p> <p>24 relation to the text, it is clear that it is</p>
<p style="text-align: right;">Page 35</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 MS. ABREU: Objection. Confusing.</p> <p>3 Calls for speculation.</p> <p>4 A. Yes, it's possible. Yes, it's possible.</p> <p>5 Q. What is the purpose of that?</p> <p>6 MS. ABREU: Same objections.</p> <p>7 A. In each case it probably is a different</p> <p>8 purpose. There's not a common purpose.</p> <p>9 Q. As the head of Laboratorios Grapa, for</p> <p>10 example, do you hold -- have you developed in</p> <p>11 that company any know-how that is your</p> <p>12 property?</p> <p>13 A. Yes.</p> <p>14 Q. And are you very careful to guard that</p> <p>15 know-how?</p> <p>16 A. Yes.</p> <p>17 Q. Why?</p> <p>18 A. Because it's a consequence of a work.</p> <p>19 Q. And is it also an asset of the company?</p> <p>20 A. Yes.</p> <p>21 Q. And so you don't want to simply give that</p> <p>22 property to someone else, correct?</p> <p>23 MS. ABREU: Objection.</p> <p>24 Argumentative.</p>	<p style="text-align: right;">Page 37</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 referring to the commentary that Mr. Leduc</p> <p>3 makes.</p> <p>4 Q. And you're pointing to Exhibit 3 now?</p> <p>5 A. Yes, on document 3, in relationship with</p> <p>6 Mr. Rossignol. That's what I understand by</p> <p>7 paragraph 6.</p> <p>8 Q. And can you explain a little more of how</p> <p>9 paragraph 6 responds to Mr. Leduc's question?</p> <p>10 A. I don't know what Mr. Leduc's intentions by</p> <p>11 this question. I can just apply common sense</p> <p>12 if I read this two text. Although I</p> <p>13 recognize my signature, I just don't</p> <p>14 remember.</p> <p>15 Q. What is your common sense reading of</p> <p>16 paragraph six? What does it mean?</p> <p>17 A. When I read paragraph six, I'm indicating to</p> <p>18 Mr. Leduc that the decision of what we have</p> <p>19 commented is only mine, only my comment.</p> <p>20 Q. Back on paragraph five, did you ever use</p> <p>21 Ethypharm know-how and technology to register</p> <p>22 Omeprazole?</p> <p>23 MS. ABREU: Objection. Time frame.</p> <p>24 A. Excuse me. Ethypharm technology?</p>

10 (Pages 34 to 37)

<p style="text-align: right;">Page 38</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. Yes. Did you ever -- ever is the time frame.</p> <p>3 Did you ever use Ethypharm technology or</p> <p>4 know-how to register Omeprazole?</p> <p>5 A. He's saying not in absolute. Not in</p> <p>6 absolute.</p> <p>7 Q. Absolutely no?</p> <p>8 A. Absolutely no. Clearly no.</p> <p>9 MR. BOSTWICK: Why don't we take a</p> <p>10 five-minute break.</p> <p>11 THE VIDEOGRAPHER: The time is 10:45</p> <p>12 a.m. We're going off the record. Actually,</p> <p>13 this completes tape number one of volume two.</p> <p>14 (Recess)</p> <p>15 THE VIDEOGRAPHER: The time is 11:01</p> <p>16 a.m. on June 29, 2006. This is tape number</p> <p>17 two, volume two.</p> <p>18 MS. ABREU: Before we begin, I just</p> <p>19 wanted to put on the record a discussion that</p> <p>20 counsel have had and agreed to that we will</p> <p>21 preserve all objections, except as to form,</p> <p>22 and motions to strike. Is that your</p> <p>23 understanding as well?</p> <p>24 MR. BOSTWICK: That's an accurate</p>	<p style="text-align: right;">Page 40</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 of Rimafar that Ethypharm did. Installations</p> <p>3 and machinery and utilities, elements,</p> <p>4 complementary elements so Ethypharm could</p> <p>5 manufacture the products. It is recognizing</p> <p>6 that the installation has taken place and</p> <p>7 their machinery of Ethypharm, installation of</p> <p>8 machinery of Ethypharm.</p> <p>9 Q. What was the purpose of Ethypharm installing</p> <p>10 machinery in the Rimafar plant?</p> <p>11 A. Ethypharm did not have facilities,</p> <p>12 installations in Spain, and they wanted to</p> <p>13 manufacture their procedures and they needed</p> <p>14 a space, adequate space.</p> <p>15 Q. They wanted to manufacture their procedures</p> <p>16 or their products?</p> <p>17 MS. ABREU: Objection. Calls for</p> <p>18 speculation.</p> <p>19 A. Their procedures in order to finalize the</p> <p>20 product.</p> <p>21 Q. And you and I have just used the term</p> <p>22 "Rimafar," but I notice that the document</p> <p>23 Exhibit 5 says Laboratorios Belmac; is that</p> <p>24 correct?</p>
<p style="text-align: right;">Page 39</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 statement. So we don't have to do this for</p> <p>3 all the depositions, why don't we just say at</p> <p>4 this portion that's going to be the case</p> <p>5 unless we state or agree otherwise.</p> <p>6 MS. ABREU: For phase one</p> <p>7 depositions, unless stated otherwise, that's</p> <p>8 agreeable.</p> <p>9 (Exhibit No. 5, Document, EP 9095,</p> <p>10 so marked)</p> <p>11 Q. Mr. Ayala, that was a simple matter of</p> <p>12 administration between lawyers. Mr. Ayala,</p> <p>13 I'm going to show you another, and I believe</p> <p>14 this is number 5, correct?</p> <p>15 A. Correct.</p> <p>16 Q. And I would ask you to look at that document,</p> <p>17 the first two pages of that document, and</p> <p>18 when you're comfortable, tell me.</p> <p>19 Let me first ask if you recognize</p> <p>20 Exhibit 5?</p> <p>21 A. Yes.</p> <p>22 Q. What do you recognize it to be?</p> <p>23 A. From Rimafar, it is recognizing the</p> <p>24 installations inside the manufacturing plant</p>	<p style="text-align: right;">Page 41</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. By that time it was Laboratorios Belmac</p> <p>3 Spain.</p> <p>4 Q. Let me read you the first paragraph of that</p> <p>5 document, and this is Don Angel Perez De</p> <p>6 Ayala declaring that Laboratorios Belmac is</p> <p>7 negotiating with Ethypharm SA, the signature</p> <p>8 of a manufacturing contract and collaboration</p> <p>9 agreement following the projects of contracts</p> <p>10 and the relations that both parties --</p> <p>11 There's no need for you to</p> <p>12 translate. I'm sorry. Why don't we have the</p> <p>13 translator simply read you the portion in</p> <p>14 Spanish, that first paragraph.</p> <p>15 Do I understand from that paragraph</p> <p>16 that during the period November of 1992</p> <p>17 Laboratorios Belmac was negotiating a</p> <p>18 manufacturing contract with Ethypharm; is</p> <p>19 that correct?</p> <p>20 MS. ABREU: Objection.</p> <p>21 A. It was negotiating a manufacturing contract,</p> <p>22 Ethypharm, at the facilities of Belmac.</p> <p>23 Q. Who did you negotiate that -- who did you</p> <p>24 negotiate with at Ethypharm with respect to</p>

11 (Pages 38 to 41)

<p style="text-align: right;">Page 42</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 the manufacturing agreement?</p> <p>3 A. With Mr. De Basilio.</p> <p>4 Q. Was Mr. Leduc involved at all?</p> <p>5 A. Usually, no. Mr. De Basilio and myself were</p> <p>6 in Spain. He was the delegated person from</p> <p>7 Ethypharm.</p> <p>8 Q. The second paragraph says, and you can read</p> <p>9 that part, In parallel to these negotiations</p> <p>10 and as those negotiations were unfolding,</p> <p>11 Ethypharm had financed and completed some</p> <p>12 work in installations, one of the sections of</p> <p>13 the building owned by Laboratorios Belmac and</p> <p>14 the costs -- I'm skipping a little portion --</p> <p>15 the costs of the completed installations and</p> <p>16 modifications amount so far, and then the</p> <p>17 figure is a little over 20 million pesetas,</p> <p>18 plus taxes.</p> <p>19 Is that consistent with your memory?</p> <p>20 MS. ABREU: Dwight, I would like to</p> <p>21 put an objection on the record. You have</p> <p>22 delved into phase two issues early today, and</p> <p>23 it appears as though you're headed that way</p> <p>24 right now with your questions.</p>	<p style="text-align: right;">Page 44</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 for the record. You can tell him that too</p> <p>3 was an administrative matter between lawyers.</p> <p>4 Q. Is that consistent with your recollection?</p> <p>5 And if you need the question read back, we</p> <p>6 can do that.</p> <p>7 A. It's correct.</p> <p>8 Q. Let me draw your attention to paragraph 4</p> <p>9 which is not marked in the original. It's on</p> <p>10 the top of the page. It's on the top of the</p> <p>11 second page. Laboratorios Belmac likewise</p> <p>12 recognizes receiving from Ethypharm SA the</p> <p>13 technical documentation necessary for its</p> <p>14 application to the health department in order</p> <p>15 to obtain the humble location and approval of</p> <p>16 the surface of the building where the</p> <p>17 installations made by Ethypharm have been</p> <p>18 taken place and where have been placed the</p> <p>19 machines which belong to this company for the</p> <p>20 manufacturing and production of the</p> <p>21 microgranules and its packaging.</p> <p>22 Is that accurate?</p> <p>23 A. It's correct. It's technical documentation</p> <p>24 of technical engineer of environment, the</p>
<p style="text-align: right;">Page 43</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 As you know, the scheduling order</p> <p>3 provides for phase one depositions at this</p> <p>4 point, and Bentley reserves its rights with</p> <p>5 regards to questions that delve into phase</p> <p>6 two and reserves its right to do the same</p> <p>7 with Ethypharm witnesses when we depose them.</p> <p>8 MR. BOSTWICK: For something that is</p> <p>9 not a speaking objection, that was a pretty</p> <p>10 long speaking objection, and I'll respond</p> <p>11 because of that, that I don't see how we can</p> <p>12 pursue the phase one discovery without</p> <p>13 delving to some extent in a generalized way</p> <p>14 into this issue.</p> <p>15 And, in fact, it's usually Craig</p> <p>16 Stuart who is usually telling me that, and</p> <p>17 I'm the one who is saying we shouldn't go too</p> <p>18 far, but I can't imagine that this is an</p> <p>19 objectionable area. I'm simply asking him</p> <p>20 whether Ethypharm had paid 27 million</p> <p>21 pecectas.</p> <p>22 MS. ABREU: I stand by the</p> <p>23 objection.</p> <p>24 MR. BOSTWICK: I'll just note that</p>	<p style="text-align: right;">Page 45</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 humidity, temperature, the ceiling of the</p> <p>3 walls, and the ceiling of the rooms; and it</p> <p>4 was elaborated by a third party, contracted</p> <p>5 by Ethypharm.</p> <p>6 Q. Now, there's also attached to this document</p> <p>7 Exhibit 5, a list of items that were given by</p> <p>8 Ethypharm to Laboratorios Belmac; is that</p> <p>9 correct?</p> <p>10 A. Correct.</p> <p>11 Q. And so is my understanding correct that the</p> <p>12 remaining pages of the document are lists of</p> <p>13 items provided to Laboratorios Belmac by</p> <p>14 Ethypharm?</p> <p>15 A. No.</p> <p>16 Q. What is that?</p> <p>17 A. We always have to distinguish that the</p> <p>18 elements, machinery elements -- complimentary</p> <p>19 machinery elements are not of Belmac, all of</p> <p>20 Belmac's. They are of Ethypharm, from and to</p> <p>21 Ethypharm.</p> <p>22 MR. FINE: Excuse me. I'd like to</p> <p>23 put on the record and I think it's probably</p> <p>24 inadvertent, but Mr. Palencia is nodding at</p>

12 (Pages 42 to 45)

<p style="text-align: right;">Page 46</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 certain points when the witness is</p> <p>3 translating -- when the witness's answers are</p> <p>4 being translated, and I would just like to</p> <p>5 ask him if he could to be, please, careful</p> <p>6 not to indicate his either assent or</p> <p>7 disagreement with any of the witness's</p> <p>8 answers.</p> <p>9 MR. BOSTWICK: Why don't we go off</p> <p>10 the record for just a moment.</p> <p>11 THE VIDEOGRAPHER: The time is 11:20</p> <p>12 a.m. We're going off the record.</p> <p>13 (Recess)</p> <p>14 THE VIDEOGRAPHER: The time is 11:21</p> <p>15 a.m. We're back on the record.</p> <p>16 Q. I believe, Mr. Ayala, that we were looking at</p> <p>17 document No. 5, Exhibit No. 5, and you were</p> <p>18 explaining to me that it is important to</p> <p>19 recognize that Ethypharm was providing itself</p> <p>20 information and technical documentation in</p> <p>21 the context of producing or manufacturing</p> <p>22 within Laboratorios Belmac?</p> <p>23 MS. ABREU: Objection. Misstates</p> <p>24 testimony.</p>	<p style="text-align: right;">Page 48</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 evolution of the installations.</p> <p>3 Q. Is it accurate to say that all of the items</p> <p>4 listed in the last six pages were the</p> <p>5 property of Ethypharm?</p> <p>6 A. Correct, all the articles were property of</p> <p>7 Ethypharm.</p> <p>8 Q. Let me show you document number 6, and this</p> <p>9 is a document in Spanish, correct?</p> <p>10 A. Correct.</p> <p>11 Q. And it appears to be dated January 12, 1993;</p> <p>12 is that correct?</p> <p>13 A. Yes, correct.</p> <p>14 Q. Is this a document that you recognize?</p> <p>15 A. I recognize it as being one of the many</p> <p>16 projects, contract projects that we did with</p> <p>17 Ethypharm, that, I believe, we didn't get to</p> <p>18 sign.</p> <p>19 Q. Do you -- when you say you didn't get to sign</p> <p>20 this, what do you mean?</p> <p>21 A. That we had an agreement problem. We</p> <p>22 couldn't get to an agreement in order to sign</p> <p>23 regarding all the terms that were drafted in</p> <p>24 the contract.</p>
<p style="text-align: right;">Page 47</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. And machinery.</p> <p>3 Q. Is my understanding correct?</p> <p>4 A. Yes, correct.</p> <p>5 Q. You were also, I think, explaining what the</p> <p>6 last six pages of Exhibit No. 5 is and could</p> <p>7 you do that?</p> <p>8 A. That I was starting and revising -- not in</p> <p>9 detail but generally speaking. General</p> <p>10 speaking is yes.</p> <p>11 Q. Can you give me a little more detailed</p> <p>12 understanding about the contents of the last</p> <p>13 six pages of Exhibit 5?</p> <p>14 A. Yes, correct.</p> <p>15 Q. Is it possible to describe in more detail</p> <p>16 what these six pages are?</p> <p>17 A. Machinery details of accessories and, et</p> <p>18 cetera, of Ethypharm. That they were</p> <p>19 installing in the space that Belmac</p> <p>20 Laboratories Spain had given them their</p> <p>21 access to at the plant at Zaragoza. And the</p> <p>22 technical documentation, so Laboratories</p> <p>23 Belmac Spain could request to the Spanish</p> <p>24 ministry of health the authorization and</p>	<p style="text-align: right;">Page 49</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. Do you recall any specific terms that were a</p> <p>3 particular problem?</p> <p>4 A. I will have to read it in detail, but</p> <p>5 generally speaking, the problem I had with</p> <p>6 Ethypharm was the conditions. The politics</p> <p>7 of contracts I wasn't in agreement. They</p> <p>8 never convinced me. To me, they were always</p> <p>9 like statements, and there's a word we use in</p> <p>10 Spain meaning "leoninos" which I'm not sure</p> <p>11 if there's a translation.</p> <p>12 Basically they were unacceptable,</p> <p>13 the conditions were unacceptable, generally</p> <p>14 speaking. In specific, I will have to go</p> <p>15 through it very carefully, but generally</p> <p>16 speaking -- there were not a document, an</p> <p>17 actual document proposed by Ethypharm that I</p> <p>18 as a responsible party of operations of</p> <p>19 Belmac Laboratory Spain operations will</p> <p>20 consider acceptable. That's why I didn't</p> <p>21 sign. That's what I remember in general.</p> <p>22 Q. Could you look at 3.4, Section 3.4, and if</p> <p>23 you could just read that to yourself for a</p> <p>24 moment, 3.4.</p>

13 (Pages 46 to 49)

<p style="text-align: right;">Page 50</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Did you ever have a problem with</p> <p>3 that provision Section 3.4?</p> <p>4 MS. ABREU: Objection. Phase two.</p> <p>5 A. We never got to the point of completing this</p> <p>6 condition. It was a point that it was</p> <p>7 proposed, but it never took place by</p> <p>8 Laboratorios Belmac Spain. It didn't take</p> <p>9 place.</p> <p>10 MR. BOSTWICK: Based on the</p> <p>11 objection, I'll reserve going into that in</p> <p>12 more detail for a later date.</p> <p>13 Q. One moment. Mr. Ayala, did there come a time</p> <p>14 when you were fired as the general manager of</p> <p>15 Laboratorios Belmac?</p> <p>16 A. Yes.</p> <p>17 Q. Do you recall when that was?</p> <p>18 A. Yes, clearly, 1994.</p> <p>19 Q. Do you recall the month?</p> <p>20 A. After the summer, I believe it was in</p> <p>21 September, you know, September or towards the</p> <p>22 end of 1994. I cannot remember exactly the</p> <p>23 month. It could be November, September. You</p> <p>24 know, I know it was towards the end of 1994.</p>	<p style="text-align: right;">Page 52</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 of 1994 earlier?</p> <p>3 MS. ABREU: Objection.</p> <p>4 Q. And my question is --</p> <p>5 A. Terminated. I terminated my relationship</p> <p>6 with Belmac.</p> <p>7 Q. Can you tell me the circumstances that led to</p> <p>8 your termination?</p> <p>9 A. Of course. There was a difference of</p> <p>10 criterias. In specifics or concrete,</p> <p>11 Mr. Murphy wasn't in agreement in general</p> <p>12 terms with my gestures.</p> <p>13 Q. This is the first time in this deposition</p> <p>14 that you have mentioned Mr. Murphy. You have</p> <p>15 discussed other people at Belmac Corporation,</p> <p>16 correct?</p> <p>17 A. Yes.</p> <p>18 Q. When did you first meet Mr. Murphy?</p> <p>19 A. During the time of my exit from Belmac.</p> <p>20 Q. And do you recall how many meetings you had</p> <p>21 with Mr. Murphy?</p> <p>22 A. Very few, one or two.</p> <p>23 Q. And were those meetings in Spain or in the</p> <p>24 United States?</p>
<p style="text-align: right;">Page 51</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. I'm going to just say again if you have</p> <p>3 longer answers you'll have to pause in the</p> <p>4 middle of them.</p> <p>5 MR. BOSTWICK: And for you, perhaps</p> <p>6 you can hold up your hand at a point in time</p> <p>7 when you need to stop.</p> <p>8 THE INTERPRETER: If I can add, if</p> <p>9 I'm translating for him not to speak because</p> <p>10 that's when more information gets into me</p> <p>11 when I'm speaking.</p> <p>12 A. I apologize. I'm just trying to make an</p> <p>13 effort to remember.</p> <p>14 Q. It's very difficult for all parties, and we</p> <p>15 appreciate your efforts. We were discussing</p> <p>16 that your recollection is that you were fired</p> <p>17 somewhere around September of 1994; is that</p> <p>18 correct?</p> <p>19 A. No.</p> <p>20 Q. What is correct?</p> <p>21 A. The correct is towards the end of 1994 I came</p> <p>22 to an agreement to leave Belmac Laboratories</p> <p>23 Spain.</p> <p>24 Q. You had referred to being fired in September</p>	<p style="text-align: right;">Page 53</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. In Spain.</p> <p>3 Q. Do you recall the dates of those meetings?</p> <p>4 A. No. I remember it was towards the end of my</p> <p>5 term of my collaboration with them.</p> <p>6 Q. Had you ever spoken to Mr. Murphy by</p> <p>7 telephone before the meetings in Spain?</p> <p>8 A. No, I don't remember. I don't remember.</p> <p>9 Q. Do you recall the very first time you met</p> <p>10 Mr. Murphy?</p> <p>11 A. I think the first time was when Mr. Murphy</p> <p>12 came to Spain to Madrid to communicate to me</p> <p>13 that there was a change of property at the</p> <p>14 Belmac Corporation.</p> <p>15 Q. One moment. What was the word you used in</p> <p>16 Spanish, "property"?</p> <p>17 A. Belmac Corporation were bought by Bell Trade,</p> <p>18 were bought by Bell Trade.</p> <p>19 MS. ABREU: Objection. Translation.</p> <p>20 Q. Is it your testimony that in 1994 Belmac</p> <p>21 Corporation in the United States was</p> <p>22 purchased by another company?</p> <p>23 A. I don't know for sure. I know there were</p> <p>24 certain changes, but I don't know the</p>

14 (Pages 50 to 53)



<p style="text-align: right;">Page 54</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 details.</p> <p>3 Q. Was this a change of leadership within Belmac</p> <p>4 in the United States?</p> <p>5 A. Possible. It is possible.</p> <p>6 Q. Was it your understanding that Mr. Murphy was</p> <p>7 taking over certain duties for other people</p> <p>8 at Belmac Corporation in the United States?</p> <p>9 MS. ABREU: Objection. Foundation.</p> <p>10 A. Correct.</p> <p>11 Q. What position did you understand Mr. Murphy</p> <p>12 to hold when you first spoke with him?</p> <p>13 A. I don't remember his title. What I</p> <p>14 understood was that he was the person</p> <p>15 responsible, et al. There were a lot of</p> <p>16 changes happening.</p> <p>17 Q. When you say that he was the person</p> <p>18 responsible, do I understand you to mean that</p> <p>19 he was the head of the United States</p> <p>20 corporation?</p> <p>21 A. I don't know. It was the person that United</p> <p>22 States plays as intermediary with Spain, the</p> <p>23 person from United States that is responsible</p> <p>24 for the relationships with Spain.</p>	<p style="text-align: right;">Page 56</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 representing United States. I believe that</p> <p>3 was the first meeting that we had, and he</p> <p>4 expressed he was not happy in general terms</p> <p>5 with the way that I administered Belmac</p> <p>6 Spain, and I had wishes of leaving Belmac</p> <p>7 Spain. So these two parties got together,</p> <p>8 and we dissolved the contract.</p> <p>9 Q. In this case, Bentley has stated in formal</p> <p>10 answers to our questions that the reason you</p> <p>11 were fired by Mr. Murphy was due to</p> <p>12 philosophical differences --</p> <p>13 MS. ABREU: Objection. Confusing.</p> <p>14 Bentley Pharmaceuticals. I apologize,</p> <p>15 Dwight. I didn't realize you weren't</p> <p>16 finished.</p> <p>17 Q. In corporate direction between -- let's read</p> <p>18 back the question --</p> <p>19 (Question read)</p> <p>20 Q. In this case we have a procedure where we can</p> <p>21 ask Bentley certain questions and they</p> <p>22 respond. Do you understand?</p> <p>23 A. Yes.</p> <p>24 Q. And Bentley has provided a formal answer, and</p>
<p style="text-align: right;">Page 55</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Q. I believe I heard you say that we -- strike</p> <p>3 that.</p> <p>4 What company was Mr. Murphy</p> <p>5 representing when he came and spoke to you?</p> <p>6 A. What company was Murphy representing? I</p> <p>7 believe it was Belmac Corporation.</p> <p>8 Q. Belmac Corporation in the United States?</p> <p>9 A. Yes, in the United States.</p> <p>10 Q. And did Mr. Murphy -- what did Mr. Murphy</p> <p>11 tell you about any plans that existed for</p> <p>12 Laboratorios Belmac?</p> <p>13 A. He didn't inform me of no projects or no</p> <p>14 plans.</p> <p>15 Q. What did you discuss with Mr. Murphy?</p> <p>16 A. My understanding was that Spain was very well</p> <p>17 disconnected from United States, and there</p> <p>18 have been changes in the United States, and I</p> <p>19 was very disconnected. I was preoccupied</p> <p>20 with the operations in Spain and</p> <p>21 uncomfortable because I basically had no</p> <p>22 relationships with United States.</p> <p>23 And at one determined moment</p> <p>24 Mr. Murphy came over as the person</p>	<p style="text-align: right;">Page 57</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 the formal answer was that Mr. Murphy fired</p> <p>3 you due to philosophical differences in</p> <p>4 corporation direction?</p> <p>5 MS. ABREU: Objection. Confusing.</p> <p>6 A. No. Of Belmac of Spain directions.</p> <p>7 Q. Could you explain that? Do you mean that it</p> <p>8 was a difference of agreement of the</p> <p>9 direction that Laboratorios Belmac would</p> <p>10 take?</p> <p>11 A. No. Let me explain.</p> <p>12 Q. Please explain your understanding of the</p> <p>13 reason you were fired.</p> <p>14 A. I have my own criterias, commercial criterias</p> <p>15 and of directionship, leadership; and they</p> <p>16 were only of Belmac Laboratory Spain. It had</p> <p>17 nothing to do with Belmac Corporation of</p> <p>18 Tampa. The differences with Mr. Murphy were</p> <p>19 criterias in terms of the general procedures</p> <p>20 of the operations in Spain.</p> <p>21 Q. Do you recall what Mr. Murphy told you</p> <p>22 specifically about why you were being fired?</p> <p>23 A. No. And it wasn't like the usual fire way.</p> <p>24 It was an agreement. Mr. Murphy was not in</p>

15 (Pages 54 to 57)

<p style="text-align: right;">Page 58</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 agreement with some aspects of my gestures,</p> <p>3 and he made it clear to me; and also, I had</p> <p>4 wishes that I wanted to leave Belmac. You</p> <p>5 know, in reality you can consider it being</p> <p>6 fired.</p> <p>7 It was a proposal, and since there</p> <p>8 was not a clear, you know, understanding or</p> <p>9 agreement, then I had to do my own thing and</p> <p>10 resolve my own thing.</p> <p>11 Q. Who took over for you as general manager when</p> <p>12 you left the company?</p> <p>13 MS. ABREU: Objection: Ambiguous.</p> <p>14 General manager of what?</p> <p>15 A. I don't know. I don't know.</p> <p>16 Q. Do you know who took over your duties?</p> <p>17 A. I don't know. I had a very important project</p> <p>18 going on, and it was very important to me,</p> <p>19 and I just focused on the project and forget</p> <p>20 about Belmac completely.</p> <p>21 Q. When you say you had a very important project</p> <p>22 going on, what do you mean?</p> <p>23 A. I had a project to develop a job, very</p> <p>24 different from pharmaceutical laboratories.</p>	<p style="text-align: right;">Page 60</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. It was a document almost like testifying that</p> <p>3 I was resigning as president of Belmac</p> <p>4 Laboratories Spain.</p> <p>5 MR. BOSTWICK: I don't believe we</p> <p>6 have that document produced, so I'd request</p> <p>7 that it be produced if it existed.</p> <p>8 MS. ABREU: We'll look into it.</p> <p>9 (Exhibit No. 7, Document, EP 3317,</p> <p>10 so marked)</p> <p>11 Q. Let me show you an exhibit. This would be</p> <p>12 Exhibit 7. This is a document in English,</p> <p>13 and it's dated January 19, 1995, correct?</p> <p>14 A. Correct.</p> <p>15 Q. And let me first ask do you recall whether</p> <p>16 you had left the company of Laboratorios</p> <p>17 Belmac as of January 19, 1995?</p> <p>18 A. Yes, correct. Yes, I do remember well.</p> <p>19 Q. You remember well that you were gone?</p> <p>20 A. Yes, perfectly.</p> <p>21 Q. So if you look at the second page of this</p> <p>22 document, Exhibit No. 7, and this discusses</p> <p>23 Belmac announcing the formation of a joint</p> <p>24 venture with Ethypharm. Would it be correct</p>
<p style="text-align: right;">Page 59</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 Just in my own mind, you know, it was just</p> <p>3 mentally I had it in my mind; and when I exit</p> <p>4 from Belmac Spain, I dedicated myself just to</p> <p>5 develop this project.</p> <p>6 Q. Did you receive any e-mails from Mr. Murphy</p> <p>7 about being fired or leaving the company?</p> <p>8 MS. ABREU: Objection. Time frame.</p> <p>9 A. No. I don't think so, but I don't remember.</p> <p>10 I know that I resigned from the position, but</p> <p>11 I don't remember if there was any</p> <p>12 correspondence.</p> <p>13 Q. So you don't remember any correspondence or</p> <p>14 any e-mails relating to your firing?</p> <p>15 A. No, it was a verbal conversation.</p> <p>16 Q. How long did it last?</p> <p>17 A. Not long. You know, maybe, I don't know,</p> <p>18 maybe like half an hour, an hour, you know,</p> <p>19 not long.</p> <p>20 Q. Did you sign any documents, resigning or a</p> <p>21 severance agreement?</p> <p>22 A. No. I did sign a document resigning to the</p> <p>23 position.</p> <p>24 Q. Can you describe that document for me?</p>	<p style="text-align: right;">Page 61</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 to say that you were not involved in that</p> <p>3 process?</p> <p>4 A. Correct.</p> <p>5 Q. So you didn't participate in the press</p> <p>6 release?</p> <p>7 A. No, absolutely not.</p> <p>8 Q. Or the discussions with Ethypharm officials?</p> <p>9 A. Excuse me.</p> <p>10 Q. Or the discussions with Ethypharm officials</p> <p>11 about a joint venture?</p> <p>12 A. At this date?</p> <p>13 Q. At this date.</p> <p>14 A. I wasn't there, and I was not participant of</p> <p>15 nothing at all.</p> <p>16 Q. When do you think your last contact was with</p> <p>17 Ethypharm officials while you were still</p> <p>18 general director of Laboratorios Belmac?</p> <p>19 A. I think that frequently we were trying to</p> <p>20 achieve an agreement. I don't remember</p> <p>21 exactly, but most likely the same year that I</p> <p>22 left Belmac Spain I was still communicating</p> <p>23 with Ethypharm, with Adolfo De Basilio.</p> <p>24 MR. BOSTWICK: Why don't we break.</p>

16 (Pages 58 to 61)

<p style="text-align: right;">Page 62</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 THE VIDEOGRAPHER: The time is 12:05</p> <p>3 p.m. We'll go off the record.</p> <p>4 (Discussion off the record)</p> <p>5 THE VIDEOGRAPHER: The time is</p> <p>6 12:17 p.m. We're back on the record.</p> <p>7 MR. BOSTWICK: Mr. Ayala, I'm</p> <p>8 finished with my questions for the moment,</p> <p>9 and what will happen now is Bentley attorneys</p> <p>10 have an opportunity to ask you some</p> <p>11 questions, and then I may have a few after</p> <p>12 that. Thank you.</p> <p>13 EXAMINATION BY MS. ABREU</p> <p>14 Q. Good afternoon, Mr. Ayala. As you know, my</p> <p>15 name is Veronica Abreu, and I represent</p> <p>16 Bentley Pharmaceuticals in this case. I</p> <p>17 would like to also, as Dwight did earlier,</p> <p>18 thank you for coming all this way to the</p> <p>19 United States to testify in these</p> <p>20 proceedings.</p> <p>21 A. You're welcome.</p> <p>22 Q. I just have a few questions for you today.</p> <p>23 It should not take very long. You mentioned</p> <p>24 earlier that you worked for Rimafar which</p>	<p style="text-align: right;">Page 64</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 run the day-to-day operations of Laboratorios</p> <p>3 Belmac SA?</p> <p>4 A. No.</p> <p>5 Q. After the Belmac Corporation purchased</p> <p>6 Rimafar and it became Laboratorios Belmac,</p> <p>7 who communicated with Ethypharm with regard</p> <p>8 to manufacture of Omeprazole in Zaragoza or</p> <p>9 the agreement?</p> <p>10 THE INTERPRETER: Can you repeat the</p> <p>11 last part of the question.</p> <p>12 (Question read)</p> <p>13 A. Who communicated with? Always I communicated</p> <p>14 with Ethypharm.</p> <p>15 Q. After 1992, did anyone at Belmac Corporation</p> <p>16 instruct you on how you should deal with</p> <p>17 Ethypharm or negotiate with Ethypharm?</p> <p>18 A. No. It was my decision, and it was part of</p> <p>19 my responsibilities.</p> <p>20 Q. You mentioned earlier that while you were at</p> <p>21 Laboratorios Belmac and Rimafar earlier that</p> <p>22 you had applied for marketing authorizations</p> <p>23 to the Spanish ministry of health, is that</p> <p>24 correct, for Omeprazole?</p>
<p style="text-align: right;">Page 63</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 then became Laboratorios Belmac; is that</p> <p>3 correct?</p> <p>4 A. Correct.</p> <p>5 Q. And you also mentioned that Laboratorios --</p> <p>6 that happened after Belmac Corporation</p> <p>7 purchased Laboratorios Rimafar?</p> <p>8 A. So what is the question?</p> <p>9 Q. Did Belmac Corporation purchase Laboratorios</p> <p>10 Rimafar?</p> <p>11 A. Correct.</p> <p>12 Q. Is that when Laboratorios Rimafar became</p> <p>13 Laboratorios Belmac in Spain?</p> <p>14 A. Correct.</p> <p>15 Q. Was Laboratorios Belmac in Spain a subsidiary</p> <p>16 of the American Belmac Corporation?</p> <p>17 A. Correct.</p> <p>18 Q. After the U.S. company Belmac Corporation</p> <p>19 purchased Rimafar and it became Laboratorios</p> <p>20 Belmac, who ran the day-to-day operations of</p> <p>21 Laboratorios Belmac in Spain?</p> <p>22 A. I personally.</p> <p>23 Q. Did anybody at Belmac Corporation in the</p> <p>24 United States instruct you on how you should</p>	<p style="text-align: right;">Page 65</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 A. That's correct.</p> <p>3 Q. And just to clarify for the record, when the</p> <p>4 ministry of health authorized the manufacture</p> <p>5 of Omeprazole, in whose name was that</p> <p>6 authorization issued? Was it Laboratorios</p> <p>7 Belmac?</p> <p>8 MS. ABREU: Objection.</p> <p>9 A. The authorization was requested on the</p> <p>10 Rimafar, and it was granted sometime later on</p> <p>11 under Laboratorios Belmac.</p> <p>12 Q. And who made the decision to apply for</p> <p>13 marketing authorization with the Spanish</p> <p>14 ministry of health for Omeprazole?</p> <p>15 A. I did it with my team when we were on</p> <p>16 Rimafar.</p> <p>17 Q. And who else was on your team?</p> <p>18 A. Technical director, commercial director,</p> <p>19 medical director, manufacturing director, a</p> <p>20 team; and there were also many other people,</p> <p>21 but generally speaking, my decisions, I take</p> <p>22 my decisions consulting with this team of</p> <p>23 people.</p> <p>24 Q. Was anyone from Belmac Corporation part of</p>

17 (Pages 62 to 65)

<p style="text-align: right;">Page 66</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 that team that you just referred to?</p> <p>3 A. No, absolutely not.</p> <p>4 Q. After 1992 were you ever instructed by anyone</p> <p>5 at Belmac Corporation to apply for marketing</p> <p>6 authorizations to the Spanish ministry of</p> <p>7 health for Omeprazole?</p> <p>8 A. No, because the application had been done</p> <p>9 prior to.</p> <p>10 Q. After 1992 were you ever instructed by anyone</p> <p>11 at Belmac Corporation to steal Ethypharm's</p> <p>12 intellectual property with regards to</p> <p>13 Omeprazole or pellet technology?</p> <p>14 A. No, absolutely. We had our own technology in</p> <p>15 regards to Omeprazole, through other sources.</p> <p>16 Q. After 1992, were you ever instructed by the</p> <p>17 Belmac Corporation in the United States to</p> <p>18 sell Omeprazole to Ethypharm customers or to</p> <p>19 Ethypharm?</p> <p>20 A. To sell Omeprazole? The operations in Spain</p> <p>21 were my own operations. I didn't have any</p> <p>22 concrete instruction from the corporation,</p> <p>23 Belmac.</p> <p>24 MR. BOSTWICK: Can we clarify when</p>	<p style="text-align: right;">Page 68</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 you ever given any written or verbal</p> <p>3 instructions from Jim Murphy regarding the</p> <p>4 manufacture of Omeprazole or any other pellet</p> <p>5 drug?</p> <p>6 A. No.</p> <p>7 Q. And just to amend my prior question as well,</p> <p>8 between 1992 and when you left in 1994, were</p> <p>9 you ever given any written or verbal</p> <p>10 instructions from Belmac Corporation with</p> <p>11 regard to the manufacture of any pellet drug?</p> <p>12 A. No. I have projects, but it was office space</p> <p>13 itself.</p> <p>14 Q. Between 1992 and when you left Laboratorios</p> <p>15 Belmac in 1994, were you ever given any</p> <p>16 written or verbal instructions by anyone at</p> <p>17 Belmac Corporation concerning what technology</p> <p>18 you should use to manufacture Omeprazole?</p> <p>19 A. No.</p> <p>20 Q. From -- strike that.</p> <p>21 At any time when you were working</p> <p>22 for Laboratorios Rimafar from the beginning</p> <p>23 through when you left Laboratorios Belmac in</p> <p>24 1994, did anyone at Ethypharm ever tell you</p>
<p style="text-align: right;">Page 67</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 you have been saying since 1992 that means</p> <p>3 from 1992 to 1994 when he was fired?</p> <p>4 MS. ABREU: Absolutely.</p> <p>5 MR. BOSTWICK: We should clarify</p> <p>6 with the witness.</p> <p>7 Q. When I say since 1992, I mean, of course,</p> <p>8 from 1992 to 1994 when you left Laboratorios</p> <p>9 Belmac?</p> <p>10 A. Correctly.</p> <p>11 MR. BOSTWICK: And his prior answers</p> <p>12 relate.</p> <p>13 Q. Do your prior answers relate to that time</p> <p>14 period that we just explained to you?</p> <p>15 A. Yes, of that period of time.</p> <p>16 MR. BOSTWICK: Thank you.</p> <p>17 Q. Were you ever -- apart from Ethypharm, were</p> <p>18 you ever given any written or verbal</p> <p>19 instructions from anyone at Belmac</p> <p>20 Corporation regarding the manufacture of</p> <p>21 Omeprazole between 1992 and when you left in</p> <p>22 1994?</p> <p>23 A. Never.</p> <p>24 Q. Between 1992 and when you left in 1994, were</p>	<p style="text-align: right;">Page 69</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 that they thought you were acting on behalf</p> <p>3 of Belmac Corporation?</p> <p>4 A. From Ethypharm to Rimafar, is that the</p> <p>5 question?</p> <p>6 Q. Let me clarify that. Did anyone who worked</p> <p>7 for Ethypharm or any officials, anyone at</p> <p>8 Ethypharm either in Spain or in France, did</p> <p>9 they ever tell you during the time period I</p> <p>10 mentioned earlier that they thought that you</p> <p>11 were working on -- you were acting on behalf</p> <p>12 of Belmac Corporation?</p> <p>13 A. No. I don't remember nothing, absolutely</p> <p>14 not.</p> <p>15 Q. Now, I'd like to bring your attention back to</p> <p>16 Exhibit 4 for one minute.</p> <p>17 MR. BOSTWICK: Which one is that?</p> <p>18 Mine aren't marked.</p> <p>19 MS. ABREU: Exhibit EP 00426.</p> <p>20 MR. BOSTWICK: Okay. I see it.</p> <p>21 Thank you.</p> <p>22 Q. Would you mind taking a look at paragraph 6</p> <p>23 again, and I will read that to you because</p> <p>24 it's in English and if you wouldn't mind</p>

18 (Pages 66 to 69)

<p style="text-align: right;">Page 70</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 translating. It states, Sixth, the</p> <p>3 relationship between Rimafar and Ethypharm is</p> <p>4 previous to the appearance of our president</p> <p>5 Mr. Rossignol, and I am obliged to clarify</p> <p>6 this point by myself.</p> <p>7 A. Correct.</p> <p>8 Q. During your relationship while you were still</p> <p>9 at Rimafar in 1994 when you left Laboratorios</p> <p>10 Belmac, did Mr. Rossignol ever give you any</p> <p>11 instructions on how you should relate to</p> <p>12 Omeprazole -- pardon me. Strike that -- on</p> <p>13 how you should negotiate with Ethypharm with</p> <p>14 regard to the manufacture of Omeprazole or</p> <p>15 any other pellet truck?</p> <p>16 A. No, absolutely not.</p> <p>17 MS. ABREU: Thank you very much,</p> <p>18 Mr. Ayala. I have no further questions.</p> <p>19 MR. BOSTWICK: Only a few questions,</p> <p>20 Mr. Ayala.</p> <p>21 EXAMINATION BY MR. BOSTWICK</p> <p>22 Q. You mentioned that you had a team of people</p> <p>23 at Rimafar, and I believe you mentioned one</p> <p>24 of the people on your team was a technical</p>	<p style="text-align: right;">Page 72</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 to technology issues in his response, but</p> <p>3 I'll simply reserve that, if that's,</p> <p>4 acceptable for phase two.</p> <p>5 MS. ABREU: That's fine.</p> <p>6 MR. BOSTWICK: I'll reserve any</p> <p>7 questions I have on that issue of him later.</p> <p>8 Thank you very much for coming to the United</p> <p>9 States, and I hope this wasn't too</p> <p>10 disagreeable to you.</p> <p>11 THE WITNESS: No, it wasn't that</p> <p>12 bad, absolutely at all. It was a good</p> <p>13 experience.</p> <p>14 MR. BOSTWICK: Well, thank you very</p> <p>15 much.</p> <p>16 THE VIDEOGRAPHER: The time is 12:40</p> <p>17 p.m. on June 29, 2006. This is the end of</p> <p>18 tape number two.</p> <p>19 (Whereupon the deposition was</p> <p>20 concluded at 12:40 p.m.)</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>
<p style="text-align: right;">Page 71</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 director?</p> <p>3 A. Yes, you're obligated.</p> <p>4 Q. Who was the technical director?</p> <p>5 A. At that time it was Juan Carlos Asensio.</p> <p>6 Q. Did Mr. Asensio stay with Laboratorios</p> <p>7 Belmac?</p> <p>8 A. When I left, yes.</p> <p>9 Q. You also mentioned you had a manufacturing</p> <p>10 director?</p> <p>11 A. Yes, correct.</p> <p>12 Q. Who was that?</p> <p>13 A. Mr. Monterde.</p> <p>14 Q. And you mentioned that there was a commercial</p> <p>15 director as well?</p> <p>16 A. Yes.</p> <p>17 Q. And who was that?</p> <p>18 A. Clemente Gonzalez Azpeitia.</p> <p>19 Q. I believe you also mentioned you had a</p> <p>20 medical director; is that correct?</p> <p>21 A. Yes, that's correct.</p> <p>22 Q. Who was the medical director?</p> <p>23 A. Dr. Manuel Espauelas.</p> <p>24 MR. BOSTWICK: Mr. Ayala did refer</p>	<p style="text-align: right;">Page 73</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 CERTIFICATE</p> <p>3</p> <p>4 COMMONWEALTH OF MASSACHUSETTS</p> <p>5</p> <p>6</p> <p>7 I, Tina M. Sarcia, a Registered</p> <p>8 Professional Reporter and Notary Public in</p> <p>9 and for the Commonwealth of Massachusetts, do</p> <p>10 hereby certify that the foregoing transcript</p> <p>11 of the deposition of ANGEL PEREZ DE AYALA,</p> <p>12 having been duly sworn, on Thursday, June 29,</p> <p>13 2006, is true and accurate to the best of my</p> <p>14 knowledge, skill and ability.</p> <p>15 IN WITNESS WHEREOF, I have hereunto</p> <p>16 set my hand and seal this 12th day of</p> <p>17 June, 2006.</p> <p>18</p> <p>19</p> <p>20</p> <p>21 Tina M. Sarcia, RPR</p> <p>22 Notary Public</p> <p>23</p> <p>24 My commission expires: March 13, 2009</p>

19 (Pages 70 to 73)



<p style="text-align: right;">Page 74</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 DEPONENT'S ERRATA SHEET</p> <p>3 AND SIGNATURE INSTRUCTIONS</p> <p>4</p> <p>5 The original of the Errata Sheet has</p> <p>6 been delivered to Veronica Abreu, Esq.</p> <p>7 When the Errata Sheet has been</p> <p>8 completed by the deponent and signed, a copy</p> <p>9 thereof should be delivered to each party of</p> <p>10 record and the ORIGINAL delivered to Dwight</p> <p>11 Bostwick, Esq. to whom the original</p> <p>12 deposition transcript was delivered.</p> <p>13</p> <p>14 INSTRUCTIONS TO DEPONENT</p> <p>15</p> <p>16 After reading this volume of your</p> <p>17 deposition, indicate any corrections or</p> <p>18 changes to your testimony and the reasons</p> <p>19 therefor on the Errata Sheet supplied to you</p> <p>20 and sign it. DO NOT make marks or notations</p> <p>21 on the transcript volume itself.</p> <p>22 REPLACE THIS PAGE OF THE TRANSCRIPT WITH THE</p> <p>23 COMPLETED AND SIGNED ERRATA SHEET WHEN</p> <p>24 RECEIVED.</p>	
<p style="text-align: right;">Page 75</p> <p>1 CONFIDENTIAL - FOR ATTORNEYS' EYES ONLY</p> <p>2 ATTACH TO THE DEPOSITION OF ANGEL PEREZ DE</p> <p>3 AYALA</p> <p>4 CASE: ETHYPHARM V BENTLEY PHARMACEUTICALS</p> <p>5 ERRATA SHEET</p> <p>6 INSTRUCTIONS: After reading the transcript</p> <p>7 of your deposition, note any change or</p> <p>8 correction to your testimony and the reason</p> <p>9 therefor on this sheet. DO NOT make any</p> <p>10 marks or notations on the transcript volume</p> <p>11 itself. Sign and date this errata sheet</p> <p>12 (before a Notary Public, if required). Refer</p> <p>13 to Page 74 of the transcript for errata sheet</p> <p>14 distribution instructions.</p> <p>15 PAGE LINE</p> <p>16 CHANGE:</p> <p>17 REASON:</p> <p>18 CHANGE:</p> <p>19 REASON:</p> <p>20 CHANGE:</p> <p>21 REASON:</p> <p>22 CHANGE:</p> <p>23 REASON:</p> <p>24 CHANGE:</p> <p>25 REASON:</p> <p>26</p> <p>27 I have read the foregoing transcript</p> <p>28 of my deposition and except for any</p> <p>29 corrections or changes noted above, I hereby</p> <p>30 subscribe to the transcript as an accurate</p> <p>31 record of the statements made by me.</p> <p>32</p> <p>33 ANGEL PEREZ DE AYALA DATE</p> <p>34</p>	

20 (Pages 74 to 75)

<b>A</b>	36:8 41:9 42:2 48:21,22 49:7 51:22 52:11 57:8 57:24 58:2,9 59:21 61:20 64:9	asking 34:14 43:19 ASOCIADOS 3:5 aspects 58:2 assent 46:6 asset 35:19 assigned 30:17 assist 31:6 ATTACH 75:2 attached 45:6 attention 6:2 11:6 30:3 44:8 69:15 attorneys 1:1 2:1 3:1 5:1 6:1 7:1 8:1 9:1 10:1 11:1 12:1 13:1 14:1 15:1 16:1 17:1 18:1 19:1 20:1 21:1 22:1 23:1 24:1 25:1 26:1 27:1 28:1 29:1 30:1 31:1 32:1 33:1 34:1 35:1 36:1 37:1 38:1 39:1 40:1 41:1 42:1 43:1 44:1 45:1 46:1 47:1 48:1 49:1 50:1 51:1 52:1 53:1 54:1 55:1 56:1 57:1 58:1 59:1 60:1 61:1 62:1,9 63:1 64:1 65:1 66:1 67:1 68:1 69:1 70:1 71:1 72:1 73:1 74:1 75:1	back 13:23 37:20 44:5 46:15 56:18 62:6 69:15 bad 72:12 based 9:19 30:19 31:17 50:10 basically 49:12 55:21 Basilio 42:3,5 61:23 basis 32:13 began 6:3,6 26:6 28:2,9 beginning 8:2 9:13 14:10 18:18 68:22 beginnings 14:13 20:9 23:13,13 27:21 behalf 1:15 69:2,11 believe 7:23 26:6 27:22 29:6 32:10 39:13 46:16 48:17 50:20 55:2,7 56:2 60:5 70:23 71:19 Bell 53:17,18 Belmac 5:18,22 12:3,5,21,23,24 14:4 15:3 17:8,11 17:12,17 18:2 19:2,6,7,21 24:14 27:9,9,10,13 28:10 40:23 41:2 41:6,17,22 42:13 44:11 45:8,13,19 46:22 47:19,23 49:19 50:8,15 51:22 52:6,15,19 53:14,17,20 54:3 54:8 55:7,8,12 56:5,6 57:6,9,16 57:17 58:4,20 59:4 60:3,17,23 61:18,22 63:2,6,9 63:13,15,16,18,20 63:21,23 64:3,5,6 64:15,21 65:7,11 65:24 66:5,11,17 66:23 67:9,19 68:10,15,17,23 69:3,12 70:10 71:7 Belmac's 45:20 belong 44:19 belonged 11:20 benefit 21:10 benefits 9:12 Bentley 1:10 5:13 5:22 43:4 56:9,14 56:21,24 62:9,16	75:3 Berenguer 16:16 17:22 best 9:11 73:13 better 12:7 bilingual 14:7 15:9 bit 17:24 Boston 1:22 2:15 Bostwick 2:3 4:4 5:6 12:7 38:9,24 43:8,24 46:9 50:10 51:5 60:5 61:24 62:7 66:24 67:5,11,16 69:17 69:20 70:19,21 71:24 72:6,14 74:11 bottom 8:12,13 11:4 bought 53:17,18 break 38:10 61:24 bring 21:11 69:15 building 42:13 44:16 business 5:13,17,21 6:3,6 18:4
ability 73:14 able 14:20 22:24 28:15 Abreu 2:12 4:5 7:18 10:2,8,23 12:4,10 13:3 14:18 17:14 18:20 19:5,24 21:20 24:20 27:10 28:17 29:2 32:14 33:16 34:2,10 35:2,6,23 37:23 38:18 39:6 40:17 41:20 42:20 43:22 46:23 50:4 52:3 53:19 54:9 56:13 57:5 58:13 59:8 60:8 62:13,15 65:8 67:4 69:19 70:17 72:5 74:6 absolute 38:5,6 absolutely 25:11 38:7,8 61:7 66:3 66:14 67:4 69:13 70:16 72:12 acceptable 49:20 72:4 access 47:21 accessories 47:17 accurate 38:24 44:22 48:3 73:13 75:22 achieve 61:20 acknowledge 34:6 acting 69:2,11 active 23:12,13,17 23:21,23 32:6 actual 49:17 adapting 30:12 add 51:8 addition 25:8 address 14:12 30:3 adequate 40:14 administered 56:5 administration 26:5 39:12 administrative 44:3 administrator 14:11 Adolfo 61:23 afternoon 62:14 agree 9:23 25:16,19 39:5 agreeable 39:8 agreed 9:6 38:20 agreement 7:13,20 9:7,14,21 10:11 10:19 34:19 36:5	agreements 34:6,23 al 54:15 ALZAGA 3:4 Ambiguous 24:20 58:13 amend 68:7 American 32:20 63:16 amount 42:16 amplitude 32:3 Angel 1:14 4:3 5:5 41:5 73:11 75:2 75:24 Angell 1:21 2:13 announcing 60:23 answer 13:24 14:20 14:22 30:6 56:24 57:2 answered 10:24 20:2 answers 46:3,8 51:3 56:10 67:11,13 anybody 63:23 anymore 31:22 apart 67:17 apologize 12:10 14:24 20:6 51:12 56:14 appearance 36:17 70:4 APPEARANCES 2:2,24 appears 20:16,19 42:23 48:11 application 33:4 44:14 66:8 applied 64:22 apply 37:11 65:12 66:5 appointed 17:21 appreciate 51:15 approval 44:15 approximately 13:15 17:20 18:17 20:9 26:4 April 17:20 area 43:19 Argumentative 35:24 articles 48:6 Asensio 71:5,6 asked 10:23 19:24 27:2	authorities 22:18 authorization 27:20 27:22 28:20,21 47:24 65:6,9,13 authorizations 64:22 66:6 authorized 65:4 Avenue 1:22 2:14 Ayala 1:15 4:3 5:5 5:7 6:23 7:4,22 39:11,12 41:6 46:16 50:13 62:7 62:14 70:18,20 71:24 73:11 75:2 75:24 Azpeitia 71:18 a.m 1:23 5:3 38:12 38:16 46:12,15	<b>B</b> B 4:7 BAACH 2:5	<b>C</b> C 2:12 3:7 73:2,2 called 19:6 23:12 24:5 calls 13:17 28:17 34:2,10 35:3 40:17 capsules 31:19 careful 35:14 46:5 carefully 49:15 caring 14:10 Carlos 71:5 carrying 25:10 case 25:20 35:7 39:4 56:9,20 62:16 75:3 ceiling 45:2,3 certain 17:12 20:23 46:2 53:24 54:7 56:21 certify 73:10 cetera 47:18 change 27:12,17,23 53:13 54:3 75:4,9 75:10,11,12,13,14 75:15,16,17,18 changes 53:24 54:16 55:18 74:17 75:21 Christina 15:14 circumstances 52:7